Be it enacted as By-Law of the Voluntary Forest Certification Canada d.b.a. Forest Stewardship Council® (FSC®) Canada (hereinafter referred to as the ‘Organization’)

The Organization is with the Forest Stewardship Council (FSC) (“FSC Asociacion Civil”), hereinafter referred to as FSC A.C., an international not-for-profit organization based in Oaxaca, Mexico.

1.0 DEFINITIONS

“Members”
The Organization shall be formed by Members, which shall be those individuals, or legal entities who participated in the incorporation of the Organization, and those that could be later admitted as Members in accordance with the provisions included in FSC A.C.’s Statutes.

“Consensus”
Consensus means each member of the Board of Directors, present at a meeting, agrees with and supports the decision being made, or at the very least abides by the decision being made.

“Good standing”
The rights of a member in connection with Annual General Meetings shall be automatically suspended when the dues of that Member are five months in arrears.

“Chambers”
The Membership shall be made up of four chambers. The purpose of the chamber structure is to maintain the balance of voting power between different interests without having to limit the number of Members. The votes within each chamber shall be divided equally between the Members, while respecting the provisions set forth herein. If additional Members join a chamber, the voting power of existing Members will dilute accordingly.
The **Economic Chamber** shall be open to individuals, companies and organizations who principally have a commercial interest in forest management, the production, processing or commercialization of forest products, or in the activities of the Organization, including, but not limited to the following.

a) Forest management and forest product companies.
b) Manufacturing companies.
c) Wholesalers, retailers, traders and brokers.
d) Consulting firms.
e) Commercially oriented communally-owned forest enterprises, indigenous organizations or community groups.
f) Industry associations.
g) Research organizations and academics whose primary interests are the economic or trade of forest products.
h) Certification bodies.
i) Government owned or controlled entities.
j) Employees, consultants and representatives of the above.

The **Social Chamber** shall be open to individuals and not-for-profit organizations whose principal purpose and interest is socially beneficial forestry, including, but not limited to the following.

a) Socially oriented communally-owned organizations, indigenous organizations and community groups.
b) Trade unions, labor unions and workers associations.
c) Non-Governmental Organizations engaged in social development, social justice, strengthening civil society or similar.
d) Organizations and associations working to promote recreational uses of forests.
e) Research organizations and academics whose primary interests are social issues within forestry.
f) Development non-governmental organizations.
g) Employees, consultants and representatives of the above.

The **Aboriginal Peoples Chamber** shall be open to individuals and organizations that can be identified or characterized as follows:

a) The key characteristic or criterion is self identification as Aboriginal peoples at the individual level and acceptance by the community as their member
b) Historical continuity with pre-colonial and/or pre-settler societies
c) Strong link to territories and surrounding natural resources
d) Distinct social, economic or political systems
e) Distinct language, culture and beliefs
f) Form non-dominant groups of society
g) Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.
The Environmental Chamber shall be open to individuals and not-for-profit organizations whose principal purpose and interest is the protection, preservation or conservation of the natural environment, including, but not limited to the following.

a) Environmental non-governmental organizations.
b) Environmental interest groups.
c) Research organizations and academics whose primary interest is the protection, the technical aspects of forest management and the preservation or conservation of the natural environment.
d) Environmentally oriented communally-owned organizations, indigenous organizations and community groups.
e) Employees, consultants and representatives of the above.

SECTION 1: PURPOSE OF THE ORGANIZATION

The purpose of the Organization shall be the following.

a) To promote the responsible management of forests, by providing the assistance required to achieve an environmentally appropriate, socially beneficial and economically viable use of natural resources and provision of ecosystem services, to avoid deterioration or misuse of such resources, or of the ecosystems or surrounding communities.
b) To promote viable management of forest resources and a forestry production that preserves the environment.
c) To promote FSC’s Principles and Criteria (as approved by FSC A.C.’s Membership) that defines the responsible management of the world’s forests through the development of the forest management standards and a voluntary accreditation program.
d) To conduct educational activities aimed at increasing the awareness of the importance of improving forest management.
e) To provide guidance and assistance to forest managers, legislators, developers of forest management policies, and to any other person interested in forest management.
f) To provide assistance and to collaborate with all kinds of entities and agencies, public or private, dedicated to care for and maintain forests.
g) To promote the development of activities addressed to the preservation and maintenance of forests.

SECTION 2: MISSION OF THE ORGANIZATION

The mission of the Organization is to promote environmentally appropriate, socially beneficial, and economically viable management of the Canada’s forests.

Environmentally appropriate forest management ensures that the production of timber, non-timber products and ecosystems services maintains the forest’s biodiversity, productivity and ecological processes.
Socially beneficial forest management helps both local people and society at large to enjoy long-term benefits and also provides strong incentives to local people to sustain their forest resources and adhere to long-term management plans.

Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resources, the ecosystem, or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market forest products for their best value.

SECTION 3: MEMBERSHIP

The Organization shall be formed by FSC International Members which are resident in Canada. The Membership shall be made up of four Chambers. The purpose of the chamber structure is to maintain the balance of voting power between different interests without having to limit the number of Members. The votes within each chamber shall be divided equally between the Members, while respecting the provisions set forth herein. If additional Members join a chamber, the voting power of existing Members will dilute accordingly.

Legal entities admitted as Members shall designate a representative for the Organization, who will be responsible for the relationship between the Organization and the Member and who will also represent the entity in Annual General Meetings. This is in the understanding that:

a) individual FSC members cannot be appointed as designated representatives of a Member of the Organization, and
b) One person cannot represent more than one organizational member.

Members shall have the following rights and obligations.

a) To participate and vote in all Annual General Meeting and ballots. To such effect and as further explained below, each Member shall have the right to cast one vote. The weight of a member's vote will depend on the chamber to which they are members, and their type of membership (individual or organizational Member). In order to prevent conflict of interest, members should abstain from discussing and voting in those matters in which their interest is opposite to the Organization’s.
b) To vote and be nominated or elected to the FSC Canada Board of Directors.
c) To submit initiatives related to the Organization’s works and activities, as well as those related to the achievement of its mission and purposes.
d) To pay Ordinary and Extraordinary dues.
e) To assist in achieving the purpose of the Organization.
f) Any other rights and obligations that might be determined from time to time by the FSC International General Assembly.
The rights of a Member in connection with the Annual General Meeting and voting shall be automatically suspended when the dues of that Member are five months in arrears.

Annual fees payable by the Members shall be determined by the FSC International Board of Directors. The FSC International Board of Directors shall periodically review, update and publish the schedule of membership dues. When a new member joins the Organization, dues for the first year shall be calculated according to the date of membership (e.g. if the member joins on July 1st, half of the annual dues will be payable for the first year).

**Membership will cease in any of the following cases.**

a) Due to voluntary resignation, submitted to the Board of Directors in writing, two months prior to its effective date. The Member resigning from the organization’s membership will not be entitled to any refund of membership dues paid.

b) Due to the issuance by the Membership of a destitution resolution. The following shall be considered as destitution causes: (i) to participate in activities contrary to the interests of the Organization, as outlined in the FSC Policy for Association; or (ii) that the Member no longer meets membership requirements, or (iii) non-payment of annual dues for two consecutive years.

c) Non-payment of annual dues for two consecutive years is also considered as a destitution cause. If the dues of a Member are two years in arrears, the Member shall be informed in writing (including by e-mail) of this circumstance and will be granted the opportunity to pay all outstanding dues within one calendar month. If within such period the Member does not pay the outstanding dues, the Member shall be considered to have withdrawn from the Organization’s membership. If the Member challenges its destitution, the FSC International Board of Directors shall submit the case for a decision of the General Assembly, which shall be final.

d) Due to the death of a Member, when the Member is an individual. In such an event, membership may not be assigned to another individual, not even by will or in any other forms. All the contributions made during the lifetime of the Member will be considered as part of the patrimony of the Organization.

e) Due to the dissolution and/or liquidation of an organizational Member. In such an event, membership may not be assigned to another entity in any form. All the contributions made by the organizational Member to the Organization will be considered as part of the patrimony of the Organization.

If a former Member, who is considered to have voluntarily withdrawn from the Organization or that was destitute from the membership due to non-payment of annual dues for two consecutive years, seeks readmission to membership, all outstanding dues at the time of withdrawal or destitution must be paid in advance. After this has been done, the Member may be readmitted at the discretion of the Board without having to complete the application procedures for new Members. A Member that was destitute due to any other reason could be eligible to apply for readmission to the Organization if previously approved by the Board. In this
case, the resolution of the circumstances that had led to the destitution should be required before the destitute member can reapply.

**SECTION 4: BOARD OF DIRECTORS**

The Organization shall be managed by a Board of Directors composed of 8 members, with equal representation from each Chamber, elected by the membership. The Board of Directors must be Members of FSC International (individual Members or delegates duly appointed by Organizational Members) in ‘good standing’. In electing the board, the membership shall aim for regional and gender balance.

Certification bodies, government owned or controlled entities and industry associations may not be represented on the Board of Directors.

The Board of Directors shall be accountable to the Members and to the public authorities in the country in Canada.

**SECTION 5: CHAMBER**

Each Chamber shall be represented an equal number of representatives of each of the following interests: Aboriginal Peoples, Economic, Environmental, and Social.

**SECTION 6: QUORUM & DECISION MAKING**

A quorum shall exist at any meeting of the Board if at least six of its members are present, with at least one from each chamber.

The Board of Directors shall strive to make decisions by consensus. If after reasonable efforts consensus cannot be reached, resolutions of the Board of Directors shall be adopted by the affirmative vote of at least five of the members of the Board present at the meeting, with at least one positive vote per chamber.

Board Members shall seek to make decisions which benefit the Organization as a whole and represent the views and concerns of the Chamber which they represent in Board deliberations, rather than simply reflect the views of the organization with which they are affiliated.

**SECTION 7: MINUTES**

Minutes of all meetings of the Board of Directors shall be prepared and transcribed in the corresponding Minutes Book, approved by the Board. Copies of full minutes will be available to Members upon request.

**SECTION 8: BOARD TERMS**
Directors are allowed to serve two consecutive two-year terms, subject to re-election by the membership, from the date of their respective appointment. Notwithstanding the above, four members of the Board, one from each chamber, will be replaced each year.

Members of the Board of Directors shall continue in office until their successors have been elected. Board members begin their terms on the first day after the election in the understanding that if a Board Member is removed from his/her position as described above, he/she will be ceased from his/her position as member of the Board immediately after approved by the membership.

SECTION 9: ELECTIONS

Board of Director Elections shall be determined by the Members consisting of four chambers made up of Aboriginal, Economic, Environmental and Social organizations and assigned individuals. Each chamber shall equally have 25% of the voting power. The total voting weight of all individual members in each sub-chamber shall be limited to 10% of the chamber’s total voting weight. A quorum of more than 50% of the voting power of Members in good standing in each of the four chambers shall be required.

SECTION 10: NOMINATIONS

The Board of Directors will receive seconded nominations of candidates and will prepare a written ballot classifying each candidate into the appropriate chamber to be submitted to the election of the Membership. The quorum and voting power for the election of a Board of Directors through a vote at an Annual General Meeting or by a postal or electronic ballot shall be calculated according to these Bylaws.

SECTION 11: REMOVING BOARD MEMBERS

Any member of the Board of Directors may be removed from his/her position by the Membership if he/she engages in activities contrary to the interests of the Organization. The following process shall be followed:

a) The Chairperson of the Board shall notify in writing to the member of the Board engaged in activities contrary to the interests of the Organization of such event.

b) If within 30 days, the member of the Board does not file before the Board of Directors the documents evidencing that he/she has modified his/her conduct, an exclusion proposal shall be submitted to a vote by the Board of Directors.

c) An exclusion resolution shall be approved by a vote of the Board of Directors and then by the membership in accordance with these Bylaws. In the case that a second ballot shall be required to approve the exclusion of a Board member, the rules set in section 19 of these bylaws.

d) If the Director misses two consecutive meetings of the Board of Directors without due notice to the Board of his or her inability to attend.
SECTION 12: VACANCY

Should a vacancy occur in the Board of Directors, a new member will be appointed to fill the remainder of the term vacated, by a vote of the Board of Directors within 30 days.

a) If available, the nominee from that chamber with the next highest number of votes in the most recent election will be appointed.

b) If said nominee is not available, a new Director from that chamber will be appointed.

In an extraordinary circumstance, if one chamber has two vacancies at the same time, the Board of Directors shall appoint interim Directors from that chamber to serve until a special election can be held within 60 days.

SECTION 13: BOARD MEETINGS

The Board of Directors may meet at any place either within Canada or abroad, as designated in the notice for the meeting. The living and travel expenses of Directors in connection with the meeting shall be borne by the Organization. Written notice of any such meeting shall be sent to all Board members at least 21 days prior to the meeting, by post or electronically. In cases of emergency (e.g. cases of fraud, financial mismanagement etc.) board meetings may be called at the earliest convenient time.

The notice shall contain the hour, date, place and agenda for the meeting. Any meeting of the Board of Directors shall be valid, however called, if all those entitled to be at the meeting are present.

SECTION 14: COMMITTEES

The Board of Directors may establish a number of committees to assist the Organization with both operational and management tasks, on which members may be invited to serve. Participation on Board committees requires at least a one year commitment. Standing Board committees of the Organization include the Human Resources and Governance committee and the Finance committee. Board members are required to participate in at least one committee per year.

SECTION 15: BORROWING POWERS

The Directors of the Organization may, without authorization of the Members,

a) borrow money on the credit of the Organization;
b) issue, reissue, sell, pledge, or hypothecate debt obligation of the Organization;
c) give a guarantee on behalf and
d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Organization, owned or subsequently acquired, to secure any debt obligation of the Organization
SECTION 16: PRESIDENT

The day-to-day management of the Organization shall be conferred upon a President appointed by the Board of Directors on such terms and conditions as may be determined by the Board and set forth in a written agreement and who shall not be a member of the Board of Directors. The President shall be the Chief Executive Officer of the Organization.

SECTION 17: ANNUAL GENERAL MEETING (AGM)

The Annual General Meeting of the members shall be held at any place in Canada as the Board of Directors may determine and on such day as the said directors shall appoint. The members may resolve that a particular meeting of members be held outside Canada.

The Annual General Meeting (AGM) shall be held on an annual basis. The AGM can either be called by the Board of Directors or by a group of Members representing at least 20% (twenty percent) of the voting power of the membership.

17.1 Annual General Meetings shall be those called to deal with the following matters.

a) To review the financial statements of the Organization for the previous period and approve as appropriate.
b) To appoint an auditing company for the following year’s financial audit
c) To appoint and revoke the appointment of members of the Board of Directors as provided in accordance with these Bylaws
d) Dissolution of the Organization
e) Any other matters

17.2 The Annual General Meeting (AGM) shall be held in accordance with the following provisions.

a) The notice of the AGM shall set forth the agenda, date, hour and place in which the meeting will be held.
b) The notice for any AGM shall be sent to every Member, by post, fax or electronic means (including by e-mail) at least 60 sixty days prior to the date of the respective meeting.

SECTION 18: AGM DECISION MAKING

The Annual General Meeting shall strive to adopt decisions by consensus. For decisions to be made, a quorum of more than 50% of the voting power of Members in good standing in each of the four chambers shall be required. In order to adopt resolutions at any Annual General Meeting, the affirmative vote of both a simple majority of the voting power of Members in good standing in each chamber present at the time of the vote and at least two thirds of the voting power of all Members in good standing present at the time of the vote, shall be required. The members must be in good standing at the time of the meeting.
At all meetings of members of the Organization every question shall be determined by the FSC membership consisting of four chambers made up of Aboriginal, Economic, Environmental and Social organizations and assigned individuals. Each chamber shall equally have 25% of the voting power. The total voting weight of all individual members in each sub-chamber shall be limited to 10% of the chamber’s total voting weight.

In the case of a second postal or electronic ballot for matters that could not be voted on due to a lack of quorum in a legally convened Annual General Meeting or the first postal/electronic ballot, a quorum shall not be required and the resolutions shall be considered as validly adopted when approved by both the affirmative vote of a simple majority of Members in good standing within each chamber, and at least two thirds of the total voting power of Members in good standing. Voting power on a second ballot shall be calculated based on the number of votes actually cast. The members must be in good standing at the time they cast their vote;

SECTION 19: ABSTENTIONS

The provisions set forth in these Bylaws regarding voting power for each chamber shall be observed at all times. Abstentions shall count for purposes of reaching the required quorum, but not for calculating the voting power. The voting power shall be calculated based on the number of votes actually cast.

In case that a quorum is not met at any legally convened Annual General Meeting or in a first postal ballot, all matters included in the corresponding agenda shall be voted on by Members in a postal or electronic ballot within two months.

SECTION 20: PROXY VOTES

Members may be represented at an Annual General Meeting by any other Member, designated in writing before a witnesses, on the understanding that at a specific Annual General Meeting:

   a) A Member can only represent a maximum of five organizational Members that could be part of any of the four chambers, and

   b) A Member can represent an unlimited number of individual Members who could be part of any of the four chambers.

Members may also be represented at an Annual General Meeting by the Secretary. The Secretary may carry any number of proxies.

SECTION 21: RESOLUTIONS

Notwithstanding the foregoing, written consent resolutions may be adopted by the Members without holding an Annual General Meeting, by means of a postal or electronic ballot (including by email), accepting the following.
a) Resolutions adopted through a postal ballot shall have the same validity as if approved during an Annual General Meeting.
b) The President may invite the membership to vote on matters through a postal ballot or for the membership to cast its votes electronically (including by e-mail). In this context, electronic evidence of the vote shall have the same validity as if contained in original documents.
c) The invitation to vote shall establish the voting period for submitting ballots, with the understanding that at the President's discretion, this period could be extended in one or more occasions and such circumstance shall be properly informed to the membership.
d) The President shall gather and maintain evidence of the vote of all Members and will determine if such resolutions are validly adopted by the Members of the Organization in accordance with these Bylaws.
e) Postal or electronic ballots shall be held each year to elect Board Members, with the understanding that the Board of Directors may organize additional ballots at any time at its own discretion.
f) Quorum and voting powers necessary to validly adopt resolutions by written consent shall be the same as if approved during a Annual General Meeting, in the understanding that quorum and voting power thresholds will be calculated based on the number of votes actually cast and that Members must be in good standing at the time the invitation to vote is issued by the President.
g) In case of a second postal or electronic ballot due to lack of quorum in a first postal ballot or in an Annual Meeting, rules set forth in these Bylaws shall apply.

SECTION 22: AMMENEDMENT OF BYLAWS

The Bylaws of the Organization may be repealed or amended by Bylaws enacted by the Board of Directors and approved by a quorum of more than 50% of the voting power of Members in good standing in each of the four chambers shall be required. The repeal or amendment of such Bylaws shall not be enforced or acted upon until the approval of the Minister of Industry has been obtained.