AGM CONVENED BY CHAIR C. MCDONELL

Call to Order
The Chair called the meeting to order at 8:00 am, welcoming the 20 members present in person.

Confirmation of Meeting and Proxies
The Secretary also confirmed that notice had been properly served, and sufficient members were present in person and by proxy. The Secretary also reminded the meeting that in accordance with the approved resolution from the 2001 AGM, voting would be on the basis of a weighted voting system ascribing a total vote of no more than 10% to the individual member vote.

The Secretary confirmed receipt of 8 Proxies, 3 individual and 5 organizational, distributed as follows:

<table>
<thead>
<tr>
<th>Individual</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jessica Clogg (3)</td>
<td></td>
</tr>
<tr>
<td>Nicolas Blanchette</td>
<td>(1)</td>
</tr>
<tr>
<td>Jessica Clogg (2)</td>
<td></td>
</tr>
<tr>
<td>Angus Dickie (1)</td>
<td></td>
</tr>
<tr>
<td>Trevor Figueiredo</td>
<td>(1)</td>
</tr>
</tbody>
</table>

The total number of voting members is 28, thus the total weight of the Individual Member vote is 2.8, versus 19 Organizational votes.

Minutes of Previous Meeting
Minutes of meeting held June 2, 2001, which had been distributed and posted on the FSC-Canada Website, were reviewed, with the Secretary noting that no comments had been received.

Report from the Chair
The Chair gratefully acknowledged the work and support of the Board members and staff throughout the past year, noting also that a formal message was contained in the 2002 Annual Report.

In summary comments the Chair spoke to 3 critical issues as the organization moves forward:

1. Implementation of Standards – requiring a new look at FSC and its programs, tools, techniques, and approaches in the marketplace.
2. Funding Challenges – the need to diversify sources of revenue and secure ongoing, continuous funding for general operational management.
3. Outreach and Awareness Raising – the importance...
of collaboration among members and partner
organizations supportive of the values and role of
FSC.

The members accepted the report of the Chair.

Treasurer’s Report
The Treasurer presented the audited financial statements for
2001/2002, noting that there was a summary available in the
Annual Report, and the complete report was available to the
members upon request. He went on to re-emphasize the
ongoing need to secure untied funding, noting that the
current ratio for the organization continues below 1 at 0.77,
slightly down from 0.82 in the previous year.

Appointment of Auditors
The Treasurer recommended retaining the same audit firm
of McPherson and McPherson.

Election of Directors
The Executive Director first notified that the Board, in
accordance with the By-Laws, had regrettably accepted the
resignation of Gerard Szaraz effective in the previous
meeting of the Board, and appointed Arnold Bercov to
complete the remaining 1-year of two-year term in the
Social Chamber. Mr. Bercov represents the Pulp, Paper and
Woodworkers of Canada.

The Executive Director went on to report on the results of
the election of Directors for 2-year terms, effective June,
2001. As there was no more than one candidate for each
vacancy, the slate of nominees for ratification is as follows:

<table>
<thead>
<tr>
<th>Economic</th>
<th>John Wiggers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Jean Arnold</td>
</tr>
<tr>
<td>Environmental</td>
<td>Denise English</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>Russell Diabo</td>
</tr>
</tbody>
</table>

Other Business
(1) By-Law Resolution
The section of the proposed amendments to the By-Laws
approved at the previous AGM (June, 2001) dealing with
removal of Directors was of concern to Industry Canada. As
a result, an amendment is proposed at this time (see
Attachment).

It was moved by J. Wiggers, seconded by D. English, that
the auditors report be accepted. **Motion Carried**

It was moved by J. Wiggers, seconded by M. Horswill, that
McPherson and McPherson be retained as auditors for the
fiscal year 2002/2003. **Motion Carried**

It was moved by M. Horswill, seconded by A. Dickie, that the
slate of Nominees as presented be deemed elected. **Motion Carried**

It was moved by M. von Mirbach, seconded by D. English, that the Bylaw
amendment be approved as presented. **Motion Carried.**
(2) Regional Representation on Board
A motion was presented by N. Blanchette (on behalf of member L. Belanger), seconded by S. Kemmett, regarding Regionally based Representation on the FSC-Canada Board (see Attachment). Key points of the discussion which ensued were:
- Lack of apparent means of reflecting regional perspectives in current Board structure,
- Potential significant increased cost, with no defined additional value/benefit,
- Impact of regional representation within the principle of chamber-based balance,
- Impact of “regionalizing” the Board versus the national, chamber-based perspectives.

(3) Decision-making for the National Boreal Standard
It was moved by J. Kazi, seconded by S. Kemmett, THAT “the FSC Canada Working Group develop a clear and defined decision-making process, in a timely fashion, together with the Boreal Coordinating Committee and the Regional Steering Committees, with the goal of approval at the time of release of Draft 1 of the National Boreal Standard.”

The discussion that followed reflected concerns regarding clarity of how the various inputs would be weighed, with some emphasis on the respective value of consensus-based inputs from regions with balanced committees. It was also pointed out that a finely defined system while an ideal might not be achievable in such an open and multi-stakeholder process of a national scale.

(4) Indigenous Representation at FSC-AC
It was moved by R. Diabo, seconded by M. von Mirbach, that a Motion be presented to the FSC-AC General Assembly requiring that the FSC-AC International Office employ as a minimum one Indigenous Person as a coordinator of Indigenous issues.

Discussion followed regarding the relative value of a staff role versus the potential to develop a 4th “Indigenous Peoples” Chamber at the International level. It was agreed that a motion, general enough to address either option, would be the best approach.

(5) FSC-Canada Revenue Strategy
The Chair introduced the draft Revenue Strategy that had been developed by the Board, and invited the members to
review and provide comments and input. It was noted that this document would form the basis of creating additional revenue streams for the organization as well as serving to identify funding opportunities for prospective funders and donors.

(6) FSC-AC AGA Motion on Government Involvement
The membership was informed that a request had come forward from Europe to Canada to consider seconding a motion to the AGA regarding a Statute change to enable broader representation and participation of government in FSC.

The general conclusions of the discussion were:
- Current policy provides sufficient room for participation,
- Government should not be considered members, as it would restrict dialogue between “FSC” and the regulators,
- Government should not be viewed as “landowners” and also not included in FSC’s governance scheme.

As a result, FSC-Canada was directed to not support such a motion as described.

Next Annual General Meeting
The next AGM will be held September 20, 2003 in Quebec City, Quebec.

Adjournment
There being no other business there was a motion to adjourn.

Notify FSC-Europe that Canada cannot support such a motion.

R. Diabo, seconded by J. Kazi, moved adjournment.
Motion Carried.
ATTACHMENTS –

BY-LAW AMENDMENT

This proposal is to amend the By-laws (March, 2001) as follows:

Current By-Law

“Chapter Directors

Section 29. A person shall immediately cease to be a Chapter Director:

a) Upon the date which is the later of the date of delivering his or her resignation in writing to the Secretary or to the address of the Society and the effective date of the resignation stated thereon; or
b) In the case of a corporation, society, or association, upon dissolution, bankruptcy or receivership; or
c) In the case of an individual, upon his or her death; or
d) Upon being removed by ordinary resolution of the Board; or
e) Upon the expiration of his or her term of office.”

Proposed Amendment

Replace subsection (d) above with:

”d) Upon being removed by ordinary resolution of the Chapter members at an Annual Meeting or an Extraordinary Meeting called for that purpose in accordance with the requirements of these By-Laws; or”

Permission to make non-substantive drafting changes to this amendment is also sought to enable legal counsel to latitude to satisfy Industry Canada.

Rationale

Upon review of the amended By-Laws (March, 2001) by Industry Canada, this change was recommended in order to receive approval. The underlying concern is that removal of a Director should take place as a result of member consideration, rather than a simple resolution of the Board. This request, while having no regulatory basis, is supported by consistency of accountability to the membership.
REGIONAL REPRESENTATION ON BOARD

Given that the FSC Canada Working Group’s activities have evolved to encompass development of nation-wide standards;

Given that, in the boreal standard process, FSC Canada has taken the role of defining the decision-making processes, reconciling opposing views and seeing to the resolution of disputes, and has the ultimate accountability for the process and the standards resulting from it;

Given that balance is a key concept underlying the FSC structure and philosophy, and is key to ensure credibility in accomplishing the tasks listed above;

Given that the area covered by the boreal standard requires not only equal representation between chambers, but also a diversity in regional perspectives;

Given that three quarters of the 2001-2002 Board came from central Canada:

It is Proposed

That all regions actively involved in a standard development process (B.C., Yukon, Alberta, Ontario, Quebec, and the Maritimes) be represented on the FSC Canada Working Group Board. In order to achieve this without losing the organizational knowledge found in long-standing Board members, the Board could be expanded to 12 members, three for each chamber, ideally two for each region as described above.

Candidates should be actively sought to fulfill the objective of balanced regional Representation.