2011 Annual General Meeting
October 5th, 2011, Toronto, ON
MINUTES

Attendees:
- Bradley Young, Aboriginal Peoples Chamber
- Wade Cachagee, Aboriginal Peoples Chamber
- Russell Diabo, Wolf Lake First Nation, Aboriginal Peoples Chamber
- Chris McDonell, Economic Chamber (Co-Chair)
- Henry Sauvagnat, Economic Chamber
- Martin LaFlamme-Mayer, Economic Chamber
- Chris Henschel, Environmental Chamber (Secretary)
- John Cathro, Environmental Chamber
- Valerie Courtois, Social Chamber (Co-Chair)
- Orrin Quinn, Social Chamber (Treasurer)
- Arnold Bercov, Social Chamber
- Beatrice Marlic, Social Chamber

FSC Canada Staff:
- Maia Becker, Vice President, FSC Canada
- Monika Patel, Director of Programs, FSC Canada

CALL TO ORDER

The Co-Chairs (Chris McDonell and Valerie Courtois) of the Board of Directors of the Forest Stewardship Council (FSC) Canada call the 2011 Annual General Meeting to order at 2:40 pm on October 5th, 2011 in Toronto, Ontario.

Members are welcomed in English and French, and a welcome is conducted on behalf of First Nations by Wade Cachagee.

The Co-Chair (Chris McDonell) notes that additional motions may be raised by members from the floor during the “Other Business” portion of the Agenda; at which point they will be discussed, and if passed they will serve as information for further action by the Board.

NOTICE, PROXIES AND ADOPTION OF AGENDA

The Secretary confirms that notice of the meeting was served in accordance with the FSC Canada By-laws. The Secretary notes that ONE request for the presentation of motions has been received at the FSC Canada office within the specified period.

The FSC Canada Secretary confirms that quorum has been established for the meeting, and that all attendees have received a copy of the Agenda. A total of 4 proxies have been received and posted, all of which are held by members in attendance. The Secretary explains the voting process whereby the
FSC weighting system applies. Therefore, in any vote, the Individual member votes shall not make up more than 10% of the total number of votes registered on a chamber-by-chamber basis. Organizational votes shall make up the remaining 90% of the vote in that chamber. In addition, each Chamber will have an equal 25% share of votes.

Members in attendance and/or present by proxy:

<table>
<thead>
<tr>
<th>Category</th>
<th>Organizational Votes</th>
<th>Individual Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal Peoples</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Economic</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Environmental</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Social</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

- **MOTION** to approve the Agenda.
  Moved by: John Cathro
  Seconded by: Martin LaFlamme-Mayer
  None opposed. MOTION PASSED

**MINUTES OF THE 2010 Annual General Meeting**

The Secretary notes that the draft minutes of the meeting of the 2010 Annual General Meeting, held in Montreal, Quebec on November 2nd, 2010 have been posted on the FSC Canada website. No comments on the draft minutes have been received.

- **MOTION** to approve the 2010 AGM Minutes.
  Moved by: Tembec Inc. (Chris McDonell)
  Seconded by: Ecotrust Canada (Orrin Quinn)
  None opposed. MOTION PASSED

**CO-CHAIR’S REPORT**

The 2011-2012 Co-Chair (Chris McDonell) draws the membership’s attention to the 2010-2011 Annual Report distributed at the meeting, and notes that it will be made publicly available on the FSC Canada website.

The Co-Chair highlights the significant growth (7%) in FSC-certified forest area over the past year, and the continued increase in Chain of Custody certification, particularly within the printing and publishing sector. Quebec and Ontario now dominate FSC certification in Canada, and the map provided indicates those forests that are currently FSC-certified as well as those pursuing FSC certification.

Canada continues to demonstrate leadership in FSC certification on the global stage, not only in the development of standards, but also in the role of played by Canadian members at the FSC General Assembly (GA) in Kota Kinabalu (June-July 2011). Canadian members have also been active participants on the Climate Change and Principles and Criteria Working Groups and presented a motion, passed at the GA, to establish a permanent Indigenous Peoples caucus.

Over the past year, FSC Canada has been very active in telling the FSC story, and developed a variety of tools and resources to do so. A number of developments have also taken place to improve communications and the effectiveness of the FSC Canada website and members are encouraged to visit the website and/or speak to staff with their suggestions or comments. As we move forward, FSC Canada will look to see increased placement and use of the FSC trademark in the marketplace, and methods for generating revenue from this visibility.
FSC Canada is undergoing a period of transition and through this time the Board of Directors is committed to providing strong support for governance, finances, and human resources. The Board is pursuing strategic objectives to secure financing and recruit a new President for the organization.

The Co-Chair invites the outgoing 2010-2011 Co-Chair (Arnold Bercov) to address the members. The Co-Chair discusses the challenges of the past year, with the departure of the previous President. He commends FSC Canada staff, Maia Becker and Monika Patel, for managing the organization so effectively through this difficult period. The organization has faced a number of financial and organizational challenges over the past year, but FSC remains too big to fail. On behalf of the outgoing Board of Directors, the Co-Chair gives thanks to FSC International, FSC US, FSC Canada staff and FSC’s members for their continued support.

**TREASURER’S REPORT**

The Treasurer (Orrin Quinn) presents the financial report of the organization.

As no auditor was appointed at the 2010 AGM, and as allowed by the FSC Canada by-laws on August 3rd, 2011 the FSC Canada Board of Directors appointed Cowperthwaite Mehta as the auditors on record for Fiscal Year 2011 for FSC Canada. While the audited financial statement is still in the process of being finalized, the revenue and expenses for the organization have been presented on the last page of the Annual Report (2010-2011). During the past fiscal year, FSC Canada’s total revenues were $383,355 against total expenses of $393,220, with a deficit of $9,865. The FSC Canada Board of Directors is in the process of reviewing income statements and conducting a cash flow analysis in order to assist in the transition to the coming year.

The Treasurer formally acknowledges the following financial supporters: Bull, Housser and Tupper, Domtar Inc., Eacom, FSC AC, Green Living Enterprises, The Ivey Foundation, Key Publishers, Kruger Products, Limited Brands, Tembec Inc. and WWF Canada, as they have been instrumental in ensuring the continued operation and success of FSC Canada.

- **MOTION** to appoint Cowperthwaite Mehta as the Auditors of Record for the Fiscal Year 2012.
  Moved by: Ecotrust Canada (Orrin Quinn)
  Seconded by: CPAWS (Chris Henschel)
  Non Opposed. MOTION PASSED

**RESOLUTIONS**

The Co-Chair (Chris McDonell) notes that one request for the presentation of RESOLUTIONS has been received at the FSC Canada office within the specified period, and another resolution was passed by the membership by electronic vote. Additional motions may be raised from the floor during the “Other Business” portion of the Agenda.

**RESOLUTION 1 (ORIGINAL):**

Moved by: Harry St.-Denis, Wolf Lake First Nation

Seconded by: Bradley Young, National Aboriginal Forestry Association (NAFA)

Be it resolved that: FSC Canada shall establish a Quebec regional working group process with participation from FSC Canada, Quebec government, FSC certifiers, FSC certified companies and interested First Nations, as soon as possible, to clarify the obligations and responsibilities of the Quebec government and FSC certified forestry companies to First Nations in order to ensure continued compliance with FSC Principle 3 in the Great Lakes St. Lawrence and Boreal FSC Regional Standards prior to the Quebec Sustainable Forest Development Act taking effect on April 1, 2013.
The Co-Chair invites Russell Diabo (‘presenter’), speaking as Wolf Lake First Nation (WLFN) to present Resolution 1:

- The presenter provides background to the motion, most notably that the Quebec provincial government will be shifting management of forest resources from companies to the government. WLFN feels that the Forest Act allowing this regime change to take place is in itself a contravention of FSC’s Principle 3, as the government doesn’t recognize First Nations rights in the legislation. WLFN’s traditional territory is under FSC certification at the moment and they have formed agreements with Tembec, although none with government. To date, the experience with the MRNF (Ministère de ressources et de la faune) has been difficult and there is no evidence that practices will change positively to reflect the long-term interests of First Nations. WLFN is deeply concerned regarding what the impact and result of the new government management regime coming into place on April 1st, 2013 will be.
- The presenter highlights that the intent of Resolution 1 is to convene a working group of key players to have discussions prior to the government taking over management of forest resources in 2013. In determining if a similar situation had taken place elsewhere, the presenter spoke to FSC certifications granted to the Indonesian government in 2002, despite the fact that the rights of Indigenous Peoples (and P2, P3) were not respected.
- The presenter notes that WLFN submitted comments on the ‘Protocol for the Transfer of FM Certificates in Quebec’, which was put out for public consultation by FSC Canada in August 2011. These comments include an analysis by WLFN of the forestry act.

The Co-Chair invites questions and comments from the floor. This also provides an opportunity to present amendments and discuss the issue.

- It is commented that the MRNF proposes that management activities will take place on a regional level, despite the fact that First Nations rights must be discussed on a nation-to-nation basis. It is felt that this contributes to the concern by stakeholders regarding the government’s direction on this issue. The presenter confirms that First Nations do not want to be treated as another stakeholder in the consultation, but want discussions to take place at a government-to-government level.
- General support for the resolution is voiced by several members.
- After hearing the Treasurer’s report regarding FSC Canada’s financial situation, the presenter is asked to suggest how they propose this initiative be funded? The presenter would like to be engaged with FSC Canada in the process of developing a terms of reference, budget and work plan for the working group. In so doing, he feels that a variety of funding sources can be explored, and that opportunity exists to raise funds as a high proportion of certified forests are in Quebec.
• The issue of the scope of the resolution, which may change if government chooses not to be part of the discussion, is raised. In particular, there is concern that stating that government must be a participant in the working group is problematic since whether the government choose to participate, or not, is beyond the control of FSC. It is agreed that even without government involvement the work should proceed, but that the language of the resolution should be adapted to state that key players ‘are invited’ to participate, so that the work can continue whether all parties choose to participate or not.

• The presenter states that WLFN is preparing the submittal of an aboriginal claim in order to substantiate their claim on the territory.

• The potential implications of the wording ‘regional working group process’ is questioned with regards to it holding a particular meaning in the FSC context. It is clarified that this terminology may indeed lead to some preconceptions by members and stakeholders. The presenter of the motion and the seconder confirm that they would accept changing ‘working group’ to ‘regional process’ as long as there is flexibility in the Terms of Reference for the group.

• The presenter confirms that it is the intent that the regional process would be a convening process for all First Nations whose lands are affected. However, it is clarified that some First Nations may choose not to participate (e.g. if they already have agreement with the MRNF). The crux of the issue is felt to be whether, through the FSC audit process, the MRNF will be able to maintain the FSC certificates, and what will be required to do so under Principle 3.

• It is felt by other members that there would be interest from other First Nations to participate in this process. A critical factor, however, will be the First Nations capacity to do so. It is therefore recommended that the regional process consider how best to identify resources and provide capacity to First Nations to engage. Examples of groups to approach: regional Institute of Sustainable Development, Grand Council of Cree.

• FSC Canada staff emphasize the importance of establishing clear goals and deliverables for the working group, and to focus on what role FSC (e.g. versus the Certification Bodies) can, and should, play in the discussion and issue.

✓ **MOTION (amended from original as per ‘underline’).** FSC Canada shall establish a Quebec regional process and invite the participation of the Quebec government, FSC certifiers, FSC certified companies and interested First Nations, as soon as possible, to clarify the obligations and responsibilities of the Quebec government and FSC certified forestry companies to First Nations in order to ensure continued compliance with FSC Principle 3 in the Great Lakes St. Lawrence and Boreal FSC Regional Standards prior to the Quebec Sustainable Forest Development Act taking effect on April 1, 2013.

Moved by: Wolf Lake First Nation (Russell Diabo)
Seconded by: National Aboriginal Forestry Association (NAFA) (Bradley Young)
None opposed. MOTION PASSED.

The Co-Chair confirms that Resolution 2 was passed by FSC Canada members on August 5th, 2011 by electronic ballot. Members are invited to comment on this resolution; however no new vote is required. The Co-Chair emphasizes that it is the intent of the Board of Directors over the upcoming year to bring FSC Canada’s by-laws in line with those of FSC International, although there will need to be some differences established (e.g. to account for Canada’s four-Chamber structure). No comments presented.
RESOLUTION 2:
Moved and seconded by: FSC Canada Board of Directors
Be it resolved that:
The FSC Canada By-Laws be amended as follows to require that all Directors of FSC Canada be members of the Forest Stewardship Council (FSC). Proposed amendments to the FSC Canada By-Laws:
- Section 9: DELETE: “Directors need not be members” and ADD: “Directors must be members of FSC International, duly designated delegates of an FSC International member organization, or applicants for FSC International membership in good standing.”
- Section 17: DELETE: “Directors who are not FSC members shall have a vote as members in matters pertaining the Canadian Initiative, while serving as Directors.”
- Section 61: DELETE: “The repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the Minister of Industry has been obtained.”

ELECTION OF DIRECTORS

The Secretary (Chris Henschel) states that, as per FSC Canada by-laws, the Board of Directors is made up of eight individuals, with two representatives from each of the four Chambers (Aboriginal Peoples, Economic, Environmental, Social). While Board members are typically elected for a two-year term (with half of the Board seats up for election each year), due to the extension of terms in 2010 and the expiration of 2011 terms for existing Directors, exceptionally during the 2011 elections there are eight vacancies.

In order for the Board terms to be re-aligned so that half the Board is up for re-election each year, during the 2011 election process Board members elected within a Chamber will be elected for either a 3-year or a 2-year term. The Board member that received the most votes in their Chamber will be elected for a 3-year term and the Board member that received the second most votes in their Chamber will be elected for a 2-year term. If there is a tie within a Chamber, the term for those members was decided by the Board of Directors.

Board nominations and elections were held as per the FSC Canada by-laws and the Secretary announces and welcomes the following members of the 2011-2012 FSC Canada Board of Directors. Those directors listed first (per chamber) will be in place for a three-year term, the other director for a two-year term.

ABORIGINAL PEOPLES Chamber
Bradley Young, National Aboriginal Forestry Association (NAFA)
Wade Cachagee

ECONOMIC Chamber
Chris McDonell, Tembec Inc. (Co-Chair)
Henry Sauvagnat, Cascades Inc.

ENVIRONMENTAL Chamber
Chris Henschel, Canadian Parks and Wilderness Society (CPAWS) (Secretary)
John Cathro
SOCIAL Chamber
Valerie Courtois (Co-Chair)
Orrin Quinn, Ecotrust Canada (Treasurer)

The Secretary welcomes members to ask questions or provide comments on the election process or results. None received.

OTHER BUSINESS

The Co-Chair (Chris McDonell) invites members to introduce other business or other issues or items of information for consideration by the Board.

- The repercussions of tenure reforms in Ontario and Quebec are raised as an issue that may have implications for FSC above and beyond those addressed by Resolution 1. It is recommended that the FSC Canada Board of Directors evaluate these issues.

The Co-Chair extends thanks, on behalf of the Board of Directors, to Arnold Bercov, who has committed at least eight years to the organization and continues to provide energy and input to FSC Canada.

NEXT MEETING

The Co-Chair confirms that next year’s AGM will be held at a time and place to be decided by the Board and announced to members as per the By-laws.

ADJOURNMENT

With no further business, the Co-Chair declares the 2011 AGM adjourned at 4:11 pm.