My Environment/Environment East Gipplsand

Via Email: Sarah Rees mailto:sarah@myenvironment.org.au

31 May 2013

Dear Ms Rees

Complaint re VicForests Membership of FSC Australia

I refer to your letter of 26 April 2013.

Your letter was included on the Agenda of our last Responsible Forest Management Australia Ltd (RFMA Ltd - FSC Australia) board meeting held on 30 May 2013.

I have been asked by the Board to write to you and inform you of the process that will be conducted in relation to your complaint.

The RFMA Ltd Constitution

The Constitution provides for a sectoral chamber membership structure that essentially mirrors the structure of FSC International. It is available on the FSC Australia website at http://au.fsc.org/fsc-australia-institutional-documents.225.htm. The requirements for each sectoral chamber are described in clause 3.4. Relevantly, the Economic chamber is described as follows:

*(a) (**Economic Chamber**) Membership of the Economic Chamber is open to Persons who:*

(i) principally have a commercial interest in forests, the production of forest products or the activities of FSC including, without limitation, employees, consultants and representatives of:

(A) forest management and forest product companies;

(B) certification bodies;

(C) industry associations (whether for profit or not-for-profit);

(D) wholesalers, retailers, traders, end-user and consulting companies; or

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(E) academics and researchers whose primary interest relates to commercial activities associated with forests, production of forest products or the selling of forest products; and

(ii) have demonstrated active commitment to implementing or promoting the FSC Principles and Criteria for responsible forest management.

In assessing membership eligibility, the Board of RFMA Ltd has reference to clause 3.4 and to the membership guidelines contained here http://au.fsc.org/become-a-member.196.htm.

Dispute Resolution Process

In clause 13.12, the Constitution requires the RFMA Ltd Board of Directors to establish a Disputes Resolution Committee in order to address disputes and grievances from Members and Stakeholders. It requires a chamber balanced DRC.

A DRC was formed at the Board meeting containing one chamber representative from each chamber to review the dispute and make a recommendation on the matter. In doing so, it will follow the principles of natural justice and procedural fairness.

As such:

- Each party will be given an adequate opportunity to place written submissions in relation to their position;
- Copies of any correspondence received by RFMA Ltd will be provided to the other party;
- Each party will have an opportunity to respond;
- The DRC will make a recommendation in relation to the dispute and refer such recommendation to the Board.

It is after that recommendation is received that the provisions of clause 3.13 may or may not be invoked.

3.13 Misconduct of a Member

(a) The Directors together with the Chief Executive Officer may expel from the Company any Member:

(i) who does not comply with the provisions of this constitution;

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(ii) who has acted in a manner which is demonstrably inconsistent with their membership and the objects of the Company as outlined in Rule 2.1; or

(iii) whose conduct in the opinion of the Directors is prejudicial to the interests of the Company.

(b) At least 21 days before the Directors and Chief Executive Officer hold a meeting to expel a Member the Directors must send a notice to the Member with the following information:

(i) the allegations against the Member;

(ii) the proposed resolution for the Member's expulsion;

*(iii) that the Member has an opportunity at the meeting to address the allegations either orally or in writing (referred to as a **Right of Appeal**); and*

(iv) that the Member may elect to have the question of expulsion dealt with by the Company in general meeting, provided that the Member notifies the Secretary in writing, at least 48 hours before the meeting at which the resolution is to be considered by the Directors.

(c) A Member who is subject to a proposed expulsion under Rule 3.13(a) may exercise their Right of Appeal by presenting reasons to the Board of Directors and the Chief Executive Officer as to why the proposed expulsion under Rule 3.13(a) should be dismissed.

(d) Pursuant to Rule 3.13(c), the Board of Directors together with the Chief Executive Officer have the discretion to dismiss the proposed expulsion under Rule 3.13(a).

(e) For a decision of the Directors and Chief Executive Officer to expel a Member under Rule 3.13(a) or to dismiss a proposed expulsion under Rule 3.13(a) to take effect, the decision must be made by at least the Chief Executive Officer and three Directors nominated by different Sectoral Chambers.

(f) The Company must expel a Member and remove the Member's name from the Register where:

(i) a general meeting is held to expel a Member; and

(ii) a resolution is passed in accordance with procedures set out in Rule 5.8(h) for a Special Resolution.

As such, on behalf of the DRC, we request that you provide us with any further submission addressing the core issue if you wish to do so by no later than 30 June 2013. Once a submission is received, we will provide VicForests with an opportunity to respond of the same duration. The earlier that we can receive any further submission, the faster this can progress. It could be possible to have this matter addressed at the Board meeting scheduled for 30 August 2013. It will not be possible to provide VicForests with 30 days to respond and have this considered at the 5 July 2013 meeting.

In the meantime it is FSC Australia's intention to keep this issue confidential between the complainants and the Chief Executive/Board of FSC Australia.

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If you wish to meet with me to clarify the process to be followed I am happy to make myself available. Please drop me a line if you wish to do so.

Kind Regards,

Natalie Reynolds
Chief Executive Officer & Company Secretary

cc: VicForests

enc: Letter to VicForests 31 May 2013

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