



Constitution of  
**Responsible Forest Management Australia Limited**  
(ACN 120 667 870)

A company limited by guarantee  
registered in Victoria  
trading as FSC Australia

**30 June 2016**

Incorporating all amendments from AGM held on  
26<sup>th</sup> May 2016

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## GENERAL

### 1 Definitions and Interpretation

#### 1.1 Definitions

The following definitions apply in this constitution unless the context requires otherwise:

**Alternate Director** means the person(s) appointed by the Directors under Rule 10.6.

**Applicant** means a person intending to becoming a Member under Rule 3.7.

**Board of Directors** means the board of Directors of the Company.

**Chair** means the person occupying the position of chair of the Directors under Rule 13.5.

**Chief Executive Officer** means the chief executive appointed by the Directors under Rule 14.1.

**Company** means Responsible Forest Management Australia Limited trading as FSC Australia.

**Consensus** is as defined by the ISEAL Code of Good Practice for Setting Social and Environmental Standards and means general agreement characterised by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process seeking to take into account the views of interested parties, particularly those directly affected and to reconcile any conflicting arguments.

**Corporations Act** means the Corporations Act 2001 (Cth) as amended from time to time.

**Director** means a person appointed or elected to the office of director of the Company in accordance with this constitution and, where appropriate, includes an Alternate Director.

**Economic Chamber** has the meaning set out in Rule 3.4(a).

**Environmental Chamber** has the meaning set out in Rule 3.4(b).

**Financial Year** means the year ending 31 December.

**FSC** means the Forest Stewardship Council A.C., an international not for profit organisation registered as a civil association in Mexico, or FSC IC, a not-for-profit organisation registered in the Federal Republic of Germany.

**FSC Network Procedures** means the Procedures for the Operation of the FSC Network FSC PRO 60-001 or any other instrument duly approved by FSC and applying to the Company.

**FSC Principles and Criteria** means the principles and criteria of the Forest Stewardship Council contained in Schedule 2 of this constitution as amended from time to time by FSC.

**FSC trademarks** include the words 'Forest Stewardship Council', the letters 'FSC' and the FSC 'check-mark and tree' logo which are registered by FSC in a number of countries, including Australia.

**Independent Chair** means a person who is not a member or representative of an Organisation Member of the Company and who has been appointed pursuant to Rule 13.5(b).

**Individual** means a natural person.

**Individual Member** means a Member who is an Individual.

**Member** has the meaning given in Rule 3.1.

**Member Present** means, in connection with a meeting, the Member present at the venue or venues for the meeting, in person or by proxy, by attorney or, where the Member is a body corporate, by representative.

**Ordinary Resolution** has the meaning provided under Rule 5.8(g).

**Organisation** means a body corporate, incorporated association, trust estate or statutory body.

**Organisation Member** means a Member that is an Organisation.

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**Person** includes but is not limited to partnerships, companies, bodies corporates, unincorporated bodies and all other entities or companies recognised by law as well as individuals.

**Privacy Laws** means Australian law in relation to privacy including but not limited to the Privacy Act 1988 (Cth).

**Procedures Manual** means the set of procedures that may be adopted by the Board of Directors and amended from time to time as described in Rule 2.3.

**Public Fund** means Responsible Forest Management Australia Limited Public Fund referred to in, and established in accordance with, the rules of the Public Fund as set out in Rule 19.

**Register** means the register containing the list and details of Members as outlined in Rule 3.8.

**Register of Environmental Organisations** means the register of environmental organisations maintained by the Commonwealth Department responsible for the environment.

**Rule** means a rule of this constitution.

**Secretary** means a person appointed as secretary of the Company in accordance with the Rules of this constitution.

**Sectoral Chamber** means one of the categories of membership as outlined in Rules 3.3 and 3.4.

**Stakeholder** means any Person which the Directors consider have a legitimate interest in the Company, including, but not limited to its Members, Officers and employees.

**Social Chamber** has the meaning set out in Rule 3.4(c).

**Special general meeting** means a general meeting of the Association other than an annual general meeting.

**Special Resolution** has the meaning provided under Rule 5.8(h).

**Standards and Policy Matters** means a resolution in relation to any of the following matters: forest management standards of the FSC, chain of custody, accreditation or trade mark use.

**Statutes** refers to the instrument of FSC AC documenting the purpose, governance and requirements for membership of FSC.

## 1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless any contrary intention appears in this constitution or the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it, and all regulations and statutory instruments issued under it.
- (d) A word or phrase given a meaning in the Corporations Act has the same meaning in this constitution.
- (e) A schedule in this constitution is taken to be included as part of the constitution.
- (f) A reference to \$ means Australian dollars, unless otherwise indicated.

## 1.3 Replaceable rules

The replaceable rules contained in the Corporations Act do not apply to the Company.

## 2 Objects

### 2.1 Objects of the Company

The objects of the Company are to promote environmentally responsible, socially beneficial and economically viable management of forests consistent with the Forest Stewardship Council Principles and Criteria for responsible forest management.

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Specifically, the Company strives to achieve these objects through:

- (a) delivering on the objects and mission of FSC described in the Statutes;
- (b) the development of Australian national and regional standards for responsible forest management that are accredited internationally by FSC;
- (c) educational activities with forests including forest management companies, organisations involved in the processing, manufacture, trade, sale or use of products that include material originating in forests and forest communities;
- (d) the promotion of the FSC system to customers for forest products in Australia and the promotion of products that carry the FSC trademark;
- (e) relationship building activities with governments, industry groups, companies, educational bodies, trade unions, community groups, indigenous peoples' organisations, environmental and social non governmental organisations;
- (f) the encouragement of FSC accredited certification bodies to become active in the Australian market and to undertake reviews on the performance of the FSC system in Australia and the provision of feedback on that performance to Members; and
- (g) the establishment and maintenance of the Public Fund in accordance with the rules set out in Rule 19.

## 2.2 Achievement of objects

In order to achieve the principal objects of the Company set out in paragraph 2.1 and if so required under the Income Tax Assessment Act 1997 or the Guidelines to the Register of Environmental Organisations and so as to ensure that donations to the Company have tax deductible status under the Income Tax Assessment Act 1997:

- (a) the Company shall comply with the rules of the Public Fund as set out in Rule 19; and
- (b) the Company shall inform the Commonwealth Department responsible for the environment as soon as possible if:
  - (i) it changes its name or the name of the Public Fund;
  - (ii) there is any change to the membership of the management committee of the Public Fund; or
  - (iii) there has been any departure from the model rules for public funds located in the Guidelines to the Register of Environmental Organisations; and any allocation of funds or property held in the Public Fund to other persons or organisations shall be made in accordance with the principal objects of the Company and will not be influenced by the preference of the donor.

## 2.3 Procedures of the Company

- (a) The Board of Directors may maintain a Procedures Manual that sets out the procedures for engaging, involving and consulting Stakeholders, and the resolution of disputes and complaints of FSC members and Stakeholder.
- (b) The processes and procedures outlined in the Procedure Manual shall reflect the principle of Consensus.
- (c) To the extent that any provision of the Procedures Manual is inconsistent with any provision of this Constitution, then this Constitution will prevail.

## 2.4 Application of income and property to purposes

- (a) Subject to paragraph (b) below, the income and property of the Company must be used and applied solely in promotion of its objects as set out in Rule 2.1. No part of that income or property may be paid or transferred, directly or indirectly, to any Member of the Company by way of dividend, bonus or otherwise or to the Directors in the form fees.
- (b) Paragraph 2.4(a) does not prevent the Company from making a payment in good faith to a Member or a Director:

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- (i) of reasonable and proper remuneration for services (other than as a Director) provided to the Company;
- (ii) for goods supplied in the ordinary course of business; or
- (iii) of reasonable and proper rent for premises let by a Member or Director,

provided that such payments have been previously approved by the Board of Directors.

## 3 Membership

### 3.1 Members

- (a) The Members are those Persons admitted to the membership of the Company whose names are entered into the Company's Register under Rule 3.8.
- (b) Two or more Persons cannot be registered as holding a single membership interest, whether as joint tenants or as tenants in common.
- (c) Individual Members cannot represent an Organisation. In that case the Organisation must apply for membership.

### 3.2 Eligible Members

Membership of the Company may be open to any Person who supports the objects of the Company outlined in Rule 2.1.

### 3.3 Sectoral Chamber Membership Structure

- (a) The membership of the Company shall be divided into the following three Sectoral Chambers:
  - (i) the Economic Chamber;
  - (ii) the Social Chamber; and
  - (iii) the Environmental Chamber.
- (b) All Members must belong to one of the Sectoral Chambers.
- (c) ...
- (d) There must always be three Sectoral Chambers, being the Economic Chamber, Environmental Chamber and Social Chamber.
- (e) Where there is either uncertainty or a dispute about which Sectoral Chamber a Member belongs, that Member will be allocated to a Sectoral Chamber by the Board of Directors.

### 3.4 Requirements of each Sectoral Chamber

- (a) **(Economic Chamber)** Membership of the Economic Chamber shall be open to Persons who principally have a commercial interest in forest management, the production, processing or commercialisation of forest products, or in the activities of the Organisation, including but not limited to the following:
  - (A) Forest management and forest product companies;
  - (B) Industry associations (whether for profit or not-for-profit);
  - (C) Manufacturing companies;
  - (D) Wholesalers, retailers, traders, and brokers;
  - (E) Consulting firms;
  - (F) Commercially oriented communally-owned forest enterprises, Indigenous organisations or community groups;
  - (G) Research organisations and academics whose primary interests are the economic or trade of forest products;
  - (H) Certification bodies;



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- (I) Government owned or controlled entities;
  - (J) Employees, consultants and representatives of the above.
- (b) **(Environmental Chamber)** Membership of the Environmental Chamber shall be open to Persons 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 organisations;
  - (B) Environmental interest groups;
  - (C) Research organisations 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 organisations, Indigenous organisations and community groups;
  - (E) Employees, consultants and representatives of the above.
- (c) **(Social Chamber)** Membership of the Social Chamber shall be open to Persons whose principal purpose and interest is socially beneficial forestry, including, but not limited to the following:
- (A) Socially oriented communally-owned organisations, Indigenous organisations and community groups;
  - (B) Trade unions, labour unions and workers associations;
  - (C) Non-Governmental Organisations engaged in social development, social justice, strengthening civil society or similar;
  - (D) Organisations and associations working to promote recreational uses of forests;
  - (E) Other not for profit, non-government organisations whose principal interest is the social benefits of forests;
  - (F) Research organisations and academics whose primary interests are social interests within forestry;
  - (G) Development non-governmental organisations;
  - (H) Employees, consultants and representatives of the above.

### 3.5 Limited liability of Members

The liability of the Members is limited.

### 3.6 Members' liability on winding up

Each Member undertakes to contribute to the assets of the Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, for payment of the debts and liabilities of the Company and of the costs, charges and expenses of winding up, such amount as may be required not exceeding \$2.00.

### 3.7 Admission as a Member

- (a) An Applicant must submit a signed written or electronic application to the Secretary in the form determined by the Directors. Applications must be accompanied by the following information:
- (A) A statement of support for the Applicant describing how the Applicant is meeting the tenets of the Company. In the case of Organisations, this support shall take the form of a statement from its governing body.
  - (B) In the case of Organisations, this must include a Constitution, annual reports or other information regarding funding and activities and any publicly available accounts, and list of members (if relevant).
  - (C) In the case of a non-profit organisation, evidence of charitable or not-for-profit status.

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- (D) In the case of Applicants of the economic chamber, detailed documentation, describing the Person's commercial activities, details of forest operations or sources, including a description of how active commitment to FSC and its Principles and Criteria is being, or will be implemented and, for Organisations, the identity of directors, the parent company and other relevant commercial relationships. At the request of the Applicant, the Board may treat financial information from the Applicant as confidential.
  - (E) A statement of support for the application from two Members in good standing. At least one letter should be from a Member of the chamber to which the Applicant is applying to join.
- (b) As part of the application process, Applicants must adhere to the FSC Policy for Association (as issued and defined by the FSC).
  - (c) Upon receipt of the membership application, the Board of Directors shall consider it and ask for additional information if deemed necessary. The Board of Directors may consult with FSC in the event that additional information is required. The Board of Directors shall assess whether:
    - (A) The Applicant is *bona fide*; and
    - (B) There are any existent social, environmental or legal grievances. The Company reserves the right to explore any grievances from its Members concerning an Applicant, its activities or operations. Applications will be held as pending until these grievances are resolved, if considered by the Board of Directors as substantial; and
    - (C) The candidate genuinely supports FSC and its activities.
  - (d) If the Directors decide not to admit an Applicant to the membership, they do not have to give any reasons for their decision.
  - (e) When an Applicant is admitted, the Secretary must within 28 days notify the Applicant and request payment of the membership fee.
  - (f) Where Privacy Laws permit, Members will be notified of new Members by publication in the periodic FSC Australia newsletter of the name and Sectoral Chamber and the state or territory of residence (or registration for an Organisation) of any new Members within 60 days
  - (g) If the Applicant does not pay the membership fee within 60 days after the date on which the Applicant is notified that the subscription is payable, the Directors may, in their absolute discretion, cancel the acceptance of the Applicant's application for membership.
  - (h) When the Company receives payment from the Applicant of the membership fee, the Applicant will be registered in the Company's Register and will immediately become a Member. If the person applying for membership is an Organisation it must nominate a principal contact person and at least one other person as that Organisation's representative for the purpose of exercising the rights and privileges of membership and for correspondence.

### 3.8 The Register

- (a) The Secretary must keep and maintain a Register containing the following:
  - (i) the name and address (postal and where available, electronic) of each Member;
  - (ii) date on which each Member's name was entered in the Register;
  - (iii) the Sectoral Chamber to which each Member belongs;
  - (iv) Whether the Member is an Individual or an Organisation; and
  - (v) For Members who are Organisations:
    - (A) the nominated representative of the Organisation; and
    - (B) the size and type of the Organisation in accordance with the definitions prescribed by the Board of Directors by resolution from time to time.
- (b) For Members who are Individuals, they will have the option not to disclose their private residential address and simply indicate the State in which they are resident.

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- (c) The Register is available for inspection free of charge by any Member upon reasonable request subject to 3.8(b).
- (d) A Member may make a copy of entries in the Register.
- (e) The Register must be kept at the principal place of administration of the Company.

### 3.9 Updating the Register

- (a) It is the responsibility of each Member to notify the Secretary in writing of any changes to their details as described in the Register.
- (b) The last details to be entered in the Register will be deemed to be correct.
- (c) Each Member who is an Organisation, within 120 days after each Financial Year, must provide a copy of its most recent annual audited financial statements or, if no such financial statements are audited, a copy of the financial statements of the Member for its most recent financial year.

### 3.10 Membership fee

- (a) The Directors may from time to time determine a membership fee for any class of Member and the terms of payment of the membership fee.
- (b) The Directors may at any time require information from a current or prospective Member to correctly allocate the Member to a class.
- (c) The Directors may determine in their absolute discretion the appropriate class and membership fee for a Member.
- (d) The Company must give each Member notice in writing of any change in the membership fee or class and terms of payment at least 3 months before the change takes effect. The Company must make copies of the Directors' determination of the membership fee and terms of payment freely available to the public, Members and Applicants for membership.

### 3.11 Resignation of a Member

Provided that any Member seeking to resign from the Company has paid all moneys due and payable by that Member to the Company, that Member may resign from the Company by giving at least one month's notice (or such other shorter period as the Board of Directors may determine) in writing to the Secretary of their intention to resign.

### 3.12 Non-payment of membership fee

- (a) If the membership fee of a Member remains unpaid for a period of 60 days after it becomes due, the Secretary will give written notice to the Member of that fact.
- (b) If the membership fee remains unpaid more than 28 days after the date of the notice given under paragraph (a) the Directors may cancel the membership of that Member and remove that Member's name from the Register.

### 3.13 Removal from Membership

- (a) The Directors may remove from the Company Register any Member:
  - (i) who does not comply with the provisions of Rule 3.4; or
  - (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) who has been the subject of a completed destitution process initiated by FSC pursuant to the Seventeenth Statute.
- (b) In relation to the reasons in paragraph 3.13(a)(i) and 3.13(a)(ii) above, the Board of Directors will review the matter and if it considers that the complaint is substantiated, it will grant the Member the opportunity to present its position on the matter. The Secretary must send a notice to the Member and provide them with a period of one month to respond, containing the following information:
  - (i) the allegations against the Member;
  - (ii) the proposed resolution for the Member's removal from the Company Register;

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- (iii) that the Member has an opportunity to address the allegations either orally at a meeting of the Board of Directors or in writing.
- (c) A Member who is subject to a proposed removal from the Company Register under Rule 3.13(a)(i) and/or 3.13(a)(ii) may present reasons to the Board of Directors as to why the proposed removal from the register should be dismissed.
- (d) Pursuant to Rule 3.13(c), the Board of Directors has the discretion to dismiss the proposed expulsion under Rule 3.13(a)(i) and/or 3.13(a)(ii).
- (e) If the Member does not challenge the preliminary conclusion of the Board of Directors, the Member shall be taken to have withdrawn from the Company's membership and the membership shall automatically cease pursuant to Rule 3.14
- (f) For a decision of the Board of Directors to remove a Member from the Company Register under Rule 3.13(a)(i) and/or 3.13(a)(ii), or to dismiss a proposed expulsion under Rule 3.13(d) to take effect, the decision must be made by the Board of Directors in accordance with Rule 13.6.

## 3.14 Ceasing to be a Member

Membership of the Company will automatically cease upon the occurrence of any of the following:

- (a) For the reasons described in Rule 3.13(a)(iii) or 3.13(e); or
- (b) in the case of a Member who is a natural person, on the date that:
  - (i) the Member dies;
  - (ii) the Member becomes of an unsound mind;
  - (iii) The Member becomes an undischarged bankrupt or subject to an arrangement under Part X of the Bankruptcy Act 1996.
- (c) in a case of a Member which is a body corporate, on the date that:
  - (i) a liquidator is appointed in connection with the winding up of the Member; or
  - (ii) an order is made by a court for the winding up or deregistration of the Member.

## 3.15 Liability after a person ceases to be a Member

A person who has membership of the Company who ceases their membership of the Company must pay to the Company:

- (a) all membership fees or other amounts owing to the Company which are due and unpaid at the date that the Member ceases to be a Member; and
- (b) amounts which the Member is liable to pay under Rule 3.6.

## 4 General meetings

### 4.1 Power to call general meeting

Three Directors, one from each Sectoral Chamber, may call for a general meeting of the Company whenever they think fit.

### 4.2 Non-receipt of notice

The fact that a person entitled to receive notice of a general meeting does not receive that notice or is accidentally not given notice, does not invalidate any resolution passed at the meeting.

### 4.3 Business of general meetings

Unless all Members are present as Members Present and agree otherwise, the only business to be transacted at a general meeting will be that set out in the notice.

## 4.4 Right of others to attend general meeting

Any other person (whether a Member or not) requested by the Directors to attend any general meeting is entitled to be present and, at the request of the Chair, to speak at that general meeting.

## 5 Proceedings at general meetings

### 5.1 Number for a quorum

Six Members Present being entitled to vote at the meeting, with at least one Member from each Sectoral Chamber, constitute a quorum for the conduct of the business of a general meeting.

### 5.2 Requirement for a quorum

No business may be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

### 5.3 No quorum

- (a) If there is no quorum at a general meeting within 30 minutes after the time specified in the notice of the meeting, the meeting is dissolved unless:
  - (i) the Directors adjourn the meeting to a date, time and place determined by the Directors; or
  - (ii) if there are no Directors present at the meeting, the Chair adjourns the meeting to a date, time and place determined by the Chair.
- (b) If no quorum is present at any adjourned meeting within 30 minutes after the time appointed for the meeting, the Members Present (being not less than one Member from each Sectoral Chamber) shall be a quorum.

### 5.4 Chair of general meetings

The Chair shall chair general meetings of the Company, subject to this Rule and Rule 5.5. If the Chair is unable to attend a general meeting or does not wish to act as Chair, the Board of Directors may nominate a person to chair the general meeting.

### 5.5 Absence of Chair

Where a general meeting is held and:

- (a) there is no Chair; or
- (b) the Chair is not present within 15 minutes after the time appointed for the meeting or does not wish to act as Chair of the meeting,

the Directors present may choose one of their number or, in the absence of all Directors or if none of the Directors present wish to act, the Members Present may elect one of their number to be Chair of the meeting.

### 5.6 Conduct of general meetings

- (a) As a general principle, to the extent possible, Consensus will be adopted as the principle form of decision making at meetings of the Company.
- (b) Subject to Rule 5.6(a), the general conduct and procedures to be adopted at the meeting are as determined at, during or prior to the meeting by the Chair of the meeting.
- (c) The Chair of the meeting may make rulings without putting the question (or any question) to the vote if the Chair of the meeting considers action is required to ensure the orderly conduct of the meeting.

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- (d) At any time the Chair of the meeting considers it necessary or desirable for the proper and orderly conduct of the meeting, the Chair of the meeting may demand the cessation of debate or discussion on any business, question, motion or resolution being considered by the meeting and require the business, question, motion or resolution to be adjourned or put to a vote of the Members Present.
- (e) Any determination by the Chair of the meeting in relation to matters of procedure (including any procedural motions moved at, or put to, any meeting) or any other matter arising directly or indirectly from the business is final (including any procedural motions moved at, or put to, any meeting). Any challenge to a right to vote or to a determination to allow or disregard to vote may only be made at the meeting and may be determined by the Chair of the meeting whose decision is final.
- (f) If a person purports to cast a vote in contravention of the Corporations Act, the Chair of the meeting may determine that the vote be disregarded and treated as not having been cast.
- (g) Nothing contained in this Rule 5.6 limits the powers conferred on a Chair of a meeting by law.

### 5.7 Adjournments

- (a) During the course of a general meeting, the Chair of the meeting may, and if so directed by the meeting must, adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting or any debate or discussion either to a later time at the same meeting or to a meeting held at another time and place determined by the Chair.
- (b) If the Chair of the meeting exercises a right of adjournment under Rule 5.7(a), the Chair has the sole discretion to decide whether to seek the approval of the Members Present to the adjournment and, unless the Chair exercises that discretion, no vote may be taken by the Members Present in respect of the adjournment.
- (c) The only business that may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.
- (d) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting. Otherwise it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### 5.8 Voting at general meetings

- (a) Upon any question arising at a general meeting of the Company, each of the Sectoral Chambers shall have an equal share of the voting power.
- (b) Each Member shall have one vote subject to the following adjustments:
  - (i) first, if more than 10% of Members of a Sectoral Chamber are Individuals the vote that the Individual Member can exercise shall be reduced by such proportion so that the total number of votes that the Individual Members in the Sectoral Chamber can exercise shall be 10% of the total number of votes that can be exercised by all the members of the Sectoral Chamber; and
  - (ii) second, the votes of each Member in a Sectoral Chamber (other than the Sectoral Chamber which but for this rule would have the largest voting power (the Largest Sectoral Chamber)) shall be increased proportionally so that the voting power of that Sectoral Chamber shall be the same as the Largest Sectoral Chamber. The purpose of this rule is to ensure that each Sectoral Chamber has the same voting power.

A worked example of Rules 5.8(b)(i) and 5.8(b)(ii) is provided in Schedule 4.

- (c) Subject to Rule 5.8(d), for the purposes of Rule 5.8(b), the Secretary will be responsible for providing the percentage of Individuals in each Sectoral Chamber, and for this reason will rely on the information contained in the Register as outlined in Rule 3.8 and updated in accordance with Rule 3.9.

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- (d) In the absence of the Secretary for the purposes of Rule 5.8(c), at least three Directors, each from a different Sectoral Chamber will jointly undertake this role.
- (e) Subject to this constitution and any rights or restrictions for the time being attached to any class or classes of Members, at general meetings each Member entitled to attend and vote may attend and vote in person or by proxy, by attorney or (where the Member is an Organisation) by representative.
- (f) A Member is not entitled to vote at a general meeting unless all moneys due and payable by the Member to the Company have been paid.
- (g) An Ordinary Resolution voted upon by Members will be considered carried if:
  - i. more than 50% of the Members Present of each Sectoral Chamber vote in favour of the resolution; and
  - ii. all Sectoral Chambers vote in favour of the resolution in accordance with paragraph (i).
- (h) A Special Resolution voted upon by Members will be considered carried if:
  - i. no less than 75% of the Members Present of each Sectoral Chamber vote, in favour of the resolution; and
  - ii. (ii) all Sectoral Chambers vote in favour of the resolution in accordance with paragraph (i).
- (i) All votes shall be determined by a poll.
- (j) For the purposes of General Meetings, a Chair elected pursuant to Rule 13.5(a) shall not have a casting vote.

## 6 Proxies

### 6.1 Right to appoint proxy

- (a) A Member may appoint one proxy.
- (b) A proxy need not be a Member.

### 6.2 Form of proxy

A form of appointment of a proxy is valid if it is in accordance with the Corporations Act or in any form (including electronic) which the Directors may prescribe or accept.

### 6.3 Lodgement of proxies

An instrument appointing a proxy is not valid unless it and the power of attorney or other authority (if any) under which the instrument is signed is received at the registered office of the Company or, if notice of a meeting provides for electronic lodgement of proxies, at the electronic mail address specified in the notice, not less than 48 hours before the time for the meeting commences, or such shorter period as set out in the notice of meeting.

### 6.4 Validity of proxies

- (a) A vote exercised in accordance with the terms of an instrument of proxy, a power of attorney or other relevant instrument of appointment is valid despite:
  - (i) the previous death or unsoundness of mind of the principal;
  - (ii) (the revocation of the instrument (or of the authority under which the instrument was executed) or the power; or
  - (iii) the transfer of the share in respect of which the instrument or power is given,

if no notice in writing of the death, unsoundness of mind, revocation or transfer (as the case may be) has been received by the Company at its registered office at least 48 hours (or any shorter period as the Directors may permit or specified by the Corporations Act) before the commencement of the meeting, or adjourned meeting at which the instrument is used or the power is exercised.

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- (b) A proxy is not revoked by the principal attending and taking part in the meeting unless the principal actually votes at the meeting on a resolution for which the proxy is proposed to be used.

### **6.5 Where proxy is incomplete**

- (a) No instrument appointing a proxy is treated as invalid merely because it does not contain:
  - (i) the address of the appointor or of a proxy;
  - (ii) the proxy's name or the name of the officer held by the proxy; or
  - (iii) in relation to any or all resolutions, an indication of the manner in which the proxy is to vote.
- (b) Where the instrument does not specify the name of a proxy, the instrument is taken to be given in favour of the Chair of the meeting.
- (c) A proxy may vote as the proxy thinks fit on any motion or resolution in respect of which no manner of voting is indicated.

## **7 Annual General Meetings**

- (a) The Company may hold its first annual general meeting at any time within the period of 18 months after its incorporation under the Act.
- (b) With the exception of the first annual general meeting of the Company, the Company must, at least once in each calendar year and within the period of 5 months after the end of each Financial Year, convene an annual general meeting of the Company.
- (c) The Directors may determine the date, time and place of the annual general meeting of the Company.
- (d) The notice convening the annual general meeting must specify that the meeting is an annual general meeting.
- (e) The ordinary business of the annual general meeting shall be:
  - (i) to confirm the minutes of the previous annual general meeting and of any general meeting held since that meeting;
  - (ii) to receive from the Directors reports upon the transactions of the Company during the last preceding Financial Year; and
  - (iii) to elect persons to be Directors.
- (f) The annual general meeting may conduct any special business of which notice has been given in accordance with these Rules.

## **8 Special General Meetings**

- (a) In addition to the annual general meeting, any other general meetings may be held in the same year.
- (b) All general meetings other than the annual general meeting are special general meetings.
- (c) The Directors may, whenever they think fit, convene a special general meeting of the Company.

## **9 Special Business**

All business that is conducted at a special general meeting and all business that is conducted at the annual general meeting, except for business conducted under the constitution as ordinary business of the annual general meeting, is deemed to be special business.



## 10 Directors

### 10.1 Sectoral Representation

The number of Directors (not including Alternate Directors) is 3 per Sectoral Chamber and the number of Directors drawn from each Chamber shall be equal.

### 10.2 Qualification of Directors

- (a) The Directors of the Company shall be persons who are either an Individual Member or the nominated representative of an Organisation Member.
- (b) A Director who is not an Individual Member shall agree to be bound by this constitution as if the Director were a Member.
- (c) Certification bodies and government owned or controlled entities (as defined by FSC International), whether Federal or State, may not be represented on the Board of Directors.
- (d) Directors are a responsible person pursuant to the *Australian Charities and Not-for profits Commission Act 2012* and will be asked to submit to such searches and make declarations sufficient to discharge the obligations of the Company pursuant to the Act to ensure suitability to hold office in compliance with Governance Standard 4.
- (e) Directors must meet the requirements of the FSC Network Procedures.

### 10.3 Term of Office

- (a) Directors elected under Rule 11 shall hold office:
  - (i) from the end of the annual general meeting at which they are elected,
  - (ii) until the end of the third annual general meeting after they are elected,subject to Rule 10.4(a) and the Corporations Act.
- (b) Directors may be re-elected.
- (c) Directors appointed to fill casual vacancies under Rule 10.4(b) shall hold office until the end of the next annual general meeting after they are appointed, subject to Rule 10.4(a) and the Corporations Act. Any remaining term of office shall be filled at the next annual general meeting by election under Rule 11.

### 10.4 Vacation of Office

- (a) In addition to the circumstances in which the office of a Director become vacant under the Corporations Act, the office of a Director becomes vacant if the Director:
  - (i) resigns by notice in writing to the Company;
  - (ii) is absent without the consent of the Directors from meetings of the Directors held during a continuous period of 6 months;
  - (iii) in the case of a Director who at the time of their election or appointment was the nominated representative of an Organisation Member – ceases to be the nominated representative of that Organisation Member;
  - (iv) in the case of a Director who at the time of their election or appointment was not the nominated representative of an Organisation Member – ceases to be an Individual Member;
  - (v) is removed from office by a resolution of the Members at a general meeting in accordance with the Corporations Act;
  - (vi) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health; or
  - (vii) dies; or

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(viii) the Director is deemed unsuitable to be a responsible person pursuant to Governance Standard 4 of the *Australian Charities and Not-for profits Commission Act 2012*.

- (b) Subject to Rules 10.2 and 10.3(c), the Directors may at any time appoint a person to be a Director to fill a casual vacancy.

### 10.5 Remuneration

- (a) Subject to paragraphs (b) and (c), no Director is entitled to be paid a fee for his or her service as a Director.
- (b) The Directors will be entitled to be paid or reimbursed for all out-of-pocket expenses incurred by them in the performance of their duties as Directors where the amount payable does not exceed an amount approved by the Directors.
- (c) A Director may be engaged by the Company in any other capacity (other than auditor) and may be appointed on such terms as to remuneration, tenure of office and otherwise as is agreed by the Directors.

### 10.6 Alternate Director

Subject to this constitution, each Director may appoint any person (who, if there are other Directors, is approved by a majority of the other Directors) to act as an Alternate Director in the Director's place, either for a stated period or until the happening of a specified event, whenever by absence or illness or otherwise the Director is unable to attend to duties as a Director. The person appointed as Alternate Director must be a Member of the same Sectoral Chamber as the Director in whose place the Alternate Director is appointed. The appointment must be in writing and signed by the Director and a copy of the appointment must be given to the registered office or to a meeting of the Directors. The appointment takes effect on (if there are other Directors) approval by a majority of the other Directors or, where the approval has been granted, at any later time specified in the appointment. The following provisions apply to any Alternate Director:

- (a) the appointment of the Alternate Director is terminated or suspended on receipt at the registered office of notice in writing from the Director by whom the Alternate Director was appointed;
- (b) the Alternate Director is entitled to receive notice of meetings of the Directors and to attend and vote at the meetings if the Director by whom the Alternate Director was appointed is not present;
- (c) the Alternate Director is entitled to exercise all the powers (except the power to appoint an Alternate Director) and perform all the duties of a Director, to the extent the Director by whom the Alternate Director was appointed has not exercised or performed them or they have not been limited by the instrument appointing the Alternate Director;
- (d) the Alternate Director will be entitled to be reimbursed under Rule 10.5(b) as if the Alternate Director were a Director;
- (e) the office of the Alternate Director is terminated on the death of, or termination of office by, the Director by whom the Alternate Director was appointed;
- (f) the Alternate Director is not to be taken into account in determining the number of Directors;
- (g) the Alternate Director is, while acting as a Director, responsible to the Company for the Alternate Director's own acts and defaults and is not the agent of the Director by whom the Alternate Director was appointed; and
- (h) an Alternate Director cannot hold office for more than six months at a time.

## 11 Election of Directors

- (a) At each annual general meeting:

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- (i) 1 Director shall be elected from each Sectoral Chamber for a term of office expiring at the third annual general meeting after the election; and
- (ii) any remaining term of office of a Director position in which a casual vacancy has arisen since the last annual general meeting shall be filled by election from the corresponding Sectoral Chamber.
- (b) Nominations of candidates for election as Directors must be:
  - (i) made in writing, signed by two Members and accompanied by the written consent of the candidate; and
  - (ii) delivered to the Secretary not less than 25 days before the date fixed for the holding of the annual general meeting.
- (c) The Secretary must inform Members by electronic mail or, where this is not available, by post of the call for nominations at least 60 days prior to the annual general meeting.
- (d) If insufficient nominations are received to fill all vacancies on the Board of Directors, the candidates nominated shall be deemed to be elected and further nominations may be received at the annual general meeting.
- (e) If the number of nominations received is equal to the number of vacancies to be filled, the persons nominated shall be deemed to be elected.
- (f) If the number of nominations exceeds the number of vacancies to be filled, a ballot must be held.
- (g) The ballot for the election of Directors shall be conducted at the annual general meeting in such manner as the Board of Directors may direct, subject to Rule 5.8.
- (h)

Director	Sectoral Chamber	Term Expires
Seat 1	Economic	2012 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 2	Economic	2013 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 3	Economic	2014 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 1	Environment	2012 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 2	Environment	2013 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 3	Environment	2014 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 1	Social	2012 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 2	Social	2013 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter
Seat 3	Social	2014 AGM and expiring on every 3 <sup>rd</sup> anniversary thereafter

- (i) The Company shall keep a Register of Directors in a publicly available location containing the following information:
  - (i) Name;
  - (ii) Sectoral Chamber;
  - (iii) Date of election or appointment to term.

## **12 Powers of Directors**

### **12.1 Powers of Directors**

- (a) The business of the Company will be managed by the Directors, who may exercise all powers of the Company which are not, by the Corporations Act or this constitution, required to be exercised by the Company in general meeting.
- (b) Without limiting Rule 12.1(a), the Directors may exercise all the powers of the Company to:
  - (iii) borrow money, to charge any property or business of the Company; or
  - (iv) to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

## **13 Proceedings of Directors**

### **13.1 Directors meetings**

- (a) The Board of Directors must meet, face to face or electronically, at least four times a year at such place and such times as the Board of Directors may determine.
- (b) Special meetings of the Board of Directors may be convened at any time by, or shall be convened by the Secretary on the request of, the Chair or at least two thirds of Directors.
- (c) The Chief Executive Officer may attend meetings of the Board of Directors.

### **13.2 Quorum for Directors meetings**

- (a) At least half of the number of Directors constitute a quorum for the transaction of the business of a meeting of the Board of Directors, provided that at least one Director representing each Sectoral Chamber is present.
- (b) No business may be transacted unless a quorum is present.
- (c) If within half an hour of the time appointed for the meeting a quorum is not present,
  - (i) in the case of a special meeting, the meeting lapses; and
  - (ii) in any other case, the meeting shall stand adjourned to the same place and at the same time and day in the following week.
- (d) If at the adjourned meeting a quorum is not present within half an hour of the time appointed of the meeting, the meeting is to be dissolved.

### **13.3 Notice**

- (a) Written notice of each meeting of the Directors must be given to each member of the Board of Directors at least 5 business days before the date of the meeting.
- (b) Written notice shall be given to members of the Board of Directors of any special meeting specifying the general nature of the business to be conducted and no other business shall be conducted at such a meeting.

### **13.4 Directors meetings by technology**

- (a) Unless each Director consents otherwise, for the purposes of the Corporations Act, each Director, by consenting to be a Director (or by reason of the adoption of this constitution), consents to the use of each of the following technologies for holding a Directors meeting:
  - (i) video conference;
  - (ii) telephone;
  - (iii) electronic mail;
  - (iv) any other technology which permits each Director to communicate with every other Director; or

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- (v) any combination of these technologies.

A Director may withdraw the consent given under this Rule in accordance with the Corporations Act.

- (b) Where the Directors are not all in attendance at one place and are holding a meeting using technology and each Director can communicate with the other Directors:
  - (i) the participating Directors are, for the purpose of every provision of this constitution concerning meetings of the Directors, taken to be assembled together at a meeting and to be present at that meeting; and
  - (ii) all proceedings of those Directors conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were physically present in one location.

## 13.5 Chair of Directors

- (a) The Directors shall either:
  - a. elect one of their number as their Chair and who will hold office as Chair for a period of 12 months; or
  - b. appoint a person from outside the membership of the organisation as an Independent Chair pursuant to the rules in 14.6.
- (b) Where the Chair is elected pursuant to rule 13.5(a)a, the Chair shall be elected at the first meeting after the Annual General Meeting.
- (c) Where a meeting of Directors is held and:
  - (i) a Chair has not been elected or appointed as provided by Rule 13.5(a); or
  - (ii) the Chair is not present at the time appointed for the holding of the meeting or does not wish to chair the meeting,the Directors present may elect one of their number to be chair of the meeting.

## 13.6 Directors' voting rights and exercise of powers

- (a) Where possible, the Board of Directors will aim to determine questions arising at a meeting of the Board of Directors in accordance with Consensus.
- (b) Where Consensus is not possible a question shall be resolved by a two thirds majority comprising at least one Director nominated by each Sectoral Chamber for ordinary business and where a question relates to policies or standards, it shall only pass if it is affirmed by at least 5 Directors if the Board comprises 6 Directors or by at least 8 Directors if the Board comprises 9 Directors.
- (c) Where voting is required it will be on a show of hands or, if a Member requests, by a poll taken in such manner as the person presiding at that meeting may determine.
- (d) Each Director present at a meeting of the Directors is entitled to one vote.
- (e) In the case of an equality of votes, the Chair elected pursuant to Rule 13.5(a)a of the meeting does not have a casting vote.

## 13.7 Conflict of interests

- (a) A Director is not liable to account to the Company for any profit realised by any contract or arrangement, by reason only of holding the office of Director or of the fiduciary relationship established by the office.
- (b) A Director is not disqualified from contracting with the Company in any capacity by reason of holding the office of Director.
- (c) In relation to a contract or arrangement in which a Director is in any way interested:
  - (i) the fact that the Director signed the document on behalf of the Company evidencing the contract or arrangement will not in any way affect its validity; and

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- (ii) the contract or arrangement may not be avoided merely because the Director is a party to the contract or arrangement or otherwise interested in it.

### 13.8 Material personal Interest

- (a) Subject to paragraph (b), a Director who has a material personal interest in a matter that relates to the affairs of the Company must give the other Directors notice of his or her interest in accordance with the Corporations Act.
- (b) A Director with a material personal interest in a matter that relates to the affairs of the Company is not required to give notice in the following circumstances:
  - (i) if all of the following conditions are met:
    - (A) the Director has already given notice of the nature and extent of the interest and its relation to the affairs of the Company;
    - (B) if a person who was not a Director at the time the notice was given is appointed as a Director, the notice is given to that person; and
    - (C) the nature or extent of the interest has not materially increased above that disclosed in the notice;
  - (ii) if the Director has given a standing notice of the nature and extent of the interest in accordance with the Corporations Act and that standing notice is still effective in relation to the interest; or
  - (iii) as otherwise permitted under the Corporations Act.
- (c) A Director who has a material personal interest in a matter that is being considered at a Board of Directors meeting must not be present while the matter is being considered at the meeting or vote on the matter, except as permitted in accordance with the Corporations Act.
- (d) Nothing in this Rule affects the duty of a Director:
  - (i) who holds any office or possesses any property whereby, directly or indirectly, duties or interests might be created in conflict with the Director's duties or interests as a Director, to declare at a meeting of Directors, the fact and the nature, character and extent of the conflict; or
  - (ii) to comply with the Corporations Act or any other law.

### 13.9 Committees

- (a) The Directors may delegate any of their powers to committees consisting of any one or more Directors or any other person or persons as the Directors think fit and may revoke that delegation.
- (b) Where a committee consists of any Directors, the Sectoral Chambers shall be equally represented unless the Directors by resolution determine otherwise. The reason for that determination must be included in the resolution, which must be recorded in the minutes of the meeting at which the resolution was passed.
- (c) The Directors may convene a general meeting to elect nominated persons to committees by way of ballot if the Directors determine that there is strong interests from Members and other Stakeholders wishing to participate in a committee.
- (d) A committee to which any powers have been delegated under paragraph (a), must exercise those powers in accordance with any directions of the Directors. These powers are then taken to have been exercised by the Directors.
- (e) Subject to paragraph (d), the meetings and proceedings of any committee are to be governed by the provisions of this constitution for regulating the meetings and proceedings of the Directors so far as they are applicable and the Procedures Manual.

### **13.10 Special Advisory Groups**

- (a) The Board of Directors may appoint Special Advisory Groups consisting of experts in a particular field to provide advice to the Board of Directors on specified matters as determined by the Board of Directors.
- (b) Appointments to a Special Advisory Group should ensure a balance of interests.
- (c) All proceedings must be governed by provisions of this Constitution and the Procedure Manual.

### **13.11 Special Working Group**

- (a) The Board of Directors may by resolution appoint Special Working Groups (SWG) to advise the Company on forest management standards. Members of the SWG may or may not be Members of the Company.
- (b) Where an SWG consists of any Directors, the Sectoral Chambers shall be equally represented.
- (c) The SWG will be responsible for timely and adequate communication and consultation and report its recommendations to the Board of Directors for appropriate action.
- (d) The Special Working Group's recommendations may include that an item is put to a vote of Members.

### **13.12 Dispute Resolution Committee**

- (a) The Board of Directors will establish a Disputes Resolution Committee (DRC) to address disputes and grievances from Members and Stakeholders.
- (b) The DRC will consist of the Board of Directors, or at least three Directors, one from each Sectoral Chamber.
- (c) Procedures for the DRC must be in accordance with the Procedures Manual.
- (d) Members may submit disputes or grievances in relation to Australian forest management standards or administrative matters relating to the Company as set out in the Procedure Manual.

### **13.13 Written resolutions**

- (a) A resolution in writing signed by all Directors or a resolution in writing of which notice has been given to all Directors and which is signed by a majority of the Directors entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the Directors including the requirement to have a Director representation from each Sectoral Chamber) is a valid resolution of the Directors and is effective when signed by the last of all the Directors or the last of the Directors constituting the majority, as required.
- (b) For the purpose of this Rule, the references to Directors include any Alternate Director for the time being present in Australia who is appointed by a Director for the time being not present in Australia but do not include any other Alternate Director.
- (c) The resolution may consist of several documents in the same form each signed by one or more of the Directors. A facsimile transmission or other document produced by mechanical or electronic means under the name of a Director with the Director's authority is considered a document in writing signed by the Director and is deemed to be signed when received in legible form.

### **13.14 Defects in appointments**

- (a) All acts done by any meeting of the Directors or person acting as a Director are as valid as if each person was duly appointed and qualified to be a Director.
- (b) Paragraph (a) applies even if it is afterwards discovered that there was some defect in the appointment of a person to be a Director or to act as a Director or that a person so appointed was disqualified.

## **13.15 If less than minimum number of Directors**

If the number of Directors does not contain an equal number of Directors drawn from each Sectoral Chamber or is below 6, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of calling a general meeting of the Company but for no other purpose.

## **14 Officers**

### **14.1 Appointment of a Chief Executive Officer**

The Directors may appoint a person to be the Chief Executive Officer for such period and on such terms as they think fit. Subject to the terms of any agreement entered into in a particular case, the Directors may at any time terminate any such appointment.

### **14.2 Powers of a Chief Executive Officer**

Except for voting, the Directors may delegate to the Chief Executive Officer any of the powers exercisable by them under this constitution and may at any time withdraw, suspend or vary any of those powers. The delegation of powers to the Chief Executive Officer does not prevent the exercise of those powers by the Directors.

### **14.3 Appointment of Secretary**

There must be at least one Secretary who is to be appointed by the Directors.

### **14.4 Powers, duties and authorities of Secretary**

The Secretary holds office on the terms and conditions, and with the powers, duties and authorities, as the Directors decide.

### **14.5 Termination of appointment of secretary**

The Directors may at any time terminate the appointment of a Secretary.

### **14.6 Appointment of other officers**

- (a) Subject to 14.6(b), the Board of Directors may from time to time:
  - (i) create any other position or positions in the Company with the powers and responsibilities as the Board of Directors may from time to time decide; and
  - (ii) (ii) appoint any person, whether or not a Director, to any position or positions created under 14.6(i).
- (b) Representatives of accredited certification bodies and representatives of the Australian Government, whether Federal or State, are not eligible for appointment as officers of the Company.

### **14.7 Termination of appointment of other officers**

The Directors may at any time terminate the appointment of a person holding a position created under Rule 14.6(i) and may abolish the position.

## **15 Seals**

### **15.1 Seals and their Use**

The Company may have a common seal and a duplicate common seal which are to be used by the Company as determined by the Directors.



## **16 Notices**

### **16.1 Notices generally**

Any Member who has not left at or sent to the registered office, a place of address or an electronic mail address (for registration in the Register) at or to which all notices and documents of the Company may be served or sent is not entitled to receive any notice.

### **16.2 Notice of General Meeting**

The Secretary, at least 21 days, or if a Special Resolution has been proposed at least 28 days, before the date fixed for holding a general meeting of the Company, must cause to be sent to each Member a notice stating the place, date and time of the meeting and the nature of the business to be conducted at the meeting, including, in the case of notice of a meeting to propose a Special Resolution, the intention to propose a resolution as a Special Resolution.

### **16.3 How notice may be given**

The Company may give notice to a Member, in its discretion, by:

- (a) serving it on the Member personally;
- (b) sending it by post to or leaving it at the Member's address as shown in the Register or an alternative address supplied by the Member;
- (c) sending it to the fax number or electronic mail address supplied by the Member.

### **16.4 Personal service or delivery**

A notice served on a Member personally or left at the Member's address is considered to have been served when delivered.

### **16.5 Notice by post**

A notice sent by post:

- (a) if sent to an address in Australia, may be sent by ordinary post; and
- (b) if sent to an address outside Australia, must be sent by airmail,

and in either case is considered to have been served at the expiration of three working days after the notice is posted in the case of addresses in Australia or 7 working days in the case of addresses outside Australia, provided that it is properly addressed.

### **16.6 Notice by fax or electronic mail**

Any notice sent by fax or electronic mail is considered to have been served on the day it is sent, provided that it is properly addressed.

## **17 Winding Up**

### **17.1 Winding Up**

If upon winding up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever the property must not be paid to or distributed among the Members but must be given or transferred to one or more organisations selected by the Members at or before the time of dissolution:

- (a) having purposes similar to the objects of the Company set out in Rule 2.1;

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- (b) with preference being given to non for profit entities which are either educational, scientific or cultural in focus; and
- (c) which by its constitution is required to apply its profits (if any) or other income solely in promoting its objects and is prohibited from distributing its income and property to its Members,

and, with respect to any Public Fund money, which is referred to in Rule 19.2.

### 17.2 Amalgamation

Where it furthers the purposes of the Company to amalgamate with any one or more other organisations having similar purposes to the purposes of the Company, the other organisation or organisations must have Rules prohibiting the distribution of its income and property to Members.

## 18 Indemnity

### 18.1 Indemnity of Officers, Insurance and Access

- (a) The Company is to indemnify each officer of the Company out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer.
- (b) Where the Directors consider it appropriate, the Company may execute a documentary indemnity in any form in favour of any officer of the Company or a subsidiary.
- (c) Where the Directors consider it appropriate, the Company may:
  - (i) make payments by way of premium in respect of any contract effecting insurance on behalf or in respect of an officer of the Company against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer; and
  - (ii) bind itself in any contract or deed with any officer of the Company to make the payments.
- (d) Where the Directors consider it appropriate, the Company may:
  - (i) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
  - (ii) bind itself in any contract with a Director or former Director to give the access.
- (e) In this Rule 18:
  - (i) officer means:
    - (A) a Director or Secretary, Chief Executive Officer or employee; or
    - (B) a person appointed as a trustee by, or acting as a trustee at the request of, the Company,and includes a former officer.
  - (ii) duties of the officer includes, in any particular case where the Directors consider it appropriate, duties arising by reason of the appointment, nomination or secondment in any capacity of an officer by the Company or, where applicable, the subsidiary of the Company to any other corporation.
  - (iii) to the relevant extent means:
    - (A) to the extent the Company is not precluded by law from doing so;
    - (B) to the extent and for the amount that the officer is not otherwise entitled to be indemnified and is not actually indemnified by another person (including, but without limitation, a subsidiary or an insurer under any insurance policy); and
    - (C) where the liability is incurred in or arising out of the conduct of the business of another corporation or in the discharge of the duties of the officer in relation to another

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corporation, to the extent and for the amount that the officer is not entitled to be indemnified and is not actually indemnified out of the assets of that corporation.

- (iv) liability means all costs, charges, losses, damages, expenses, penalties and liabilities of any kind including, in particular, legal costs incurred in defending any proceedings (whether criminal, civil, administrative or judicial) or appearing before any court, tribunal, government authority or other body.

## 19 The Responsible Forest Management Australia Public Fund

### 19.1 Establishment and Rules

- (a) The Responsible Forest Management Australia Public Fund (the Public Fund) is established pursuant to the Constitution of the Company.
- (b) The Public Fund is established for the specific and sole purpose of supporting the principal environmental objects of the Company.
- (c) The role of the Public Fund is to:
  - (i) receive gifts of money or property for the Public Fund's purpose;
  - (ii) credit to the Public Fund any interest earned on such gifted money; and
  - (iii) credit to the Public Fund any money derived from such gifted property.
- (d) The Public Fund is not to receive any money or property other than that received as a gift for the principal objects of the Company.
- (e) The Public Fund is to comply with subdivision 30-E of the *Income Tax Assessment Act 1997*.
- (f) The Company and the Public Fund will invite members of the general public to make donations of money or property to the Public Fund for the environmental objects of the Company.
- (g) All moneys donated to the Company, all interest accrued on such moneys, all income derived from donated property and all money received from the realisation of such property will be deposited into the Public Fund.
- (h) Receipts are to be issued in the name of the Public Fund to donors and proper accounting records and procedures are to be kept and used for the Public Fund. All such receipts are to be endorsed with the following: "The Responsible Forest Management Australia Public Fund is a public fund listed on the Register of Environmental Organisations under the *Income Tax Assessment Act 1997* – Donations of \$2 or more are tax deductible."
- (i) Donations to the Public Fund are to be kept separate from other funds of the Company.
- (j) A separate bank account is to be opened to deposit money donated to the Public Fund, including interest accruing thereon.
- (k) The Public Fund will be operated on a non-profit basis. None of the money or property accumulated by the Public Fund will be distributed to members of the Company apart from the payment of proper remuneration for administrative services as permitted under rule (l).
- (l) The Public Fund can be used to pay for the reasonable operating expenses of the Company including rent, stationery, salaries and wages.
- (m) The books and records of the Public Fund will be separately audited by the Public Fund's accountants to confirm that the Public Fund has been properly administered in accordance with these rules.
- (n) The Public Fund will be administered by a committee of management who shall be responsible for all its functions including the making of investment and land deposit and acquisition decisions.
- (o) The committee of management shall comprise no fewer than three persons and may include the directors. The chief executive officer of the Company, if any, shall be a member of the committee of management. The committee will be appointed by the directors. A majority of the members of the

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committee of management are required to have the requisite degree of responsibility to the general community as required by the Register of Environmental Organisations Guidelines, being persons who, because of their tenure of some public office or their position in the community, have a degree of responsibility to the community as a whole as distinct from obligations solely in regard to the environmental objectives of the Company.

- (p) These rules may be amended only by a resolution recommended by a majority of the directors and as passed by the members of the Company.
- (q) Any changes to these rules are to be advised to the Commonwealth Department with responsibility for the environment within a reasonable time following the making of the changes.

### **19.2 Winding Up of the Public Fund**

In the event of the winding up or dissolution of the Public Fund, if there remains, after the satisfaction of all its debts and liabilities, any surplus assets or property whatsoever within the Public Fund, it shall not be paid to or distributed among the members of the Company but shall be given or transferred to another fund with similar objectives that is on the Register of Environmental Organisations.

### **19.3 Statistical Return**

The Public Fund agrees to give to the secretary of the Commonwealth Department with responsibility for the environment within four months after the end of each financial year, statistical information in the required form relating to donations received by the Public Fund during that financial year. An audited financial statement for the Company and the Public Fund will be supplied with the annual statistical return. The statement will provide information on the expenditure of Public Fund monies and the management of Public Fund assets.

### **19.4 Compliance with Ministerial Rules**

The Company agrees to comply with any rules that the Commonwealth Treasurer and the Minister with responsibility for the environment may make from time to time restricting the use of gifts to the Public Fund to the principal objects of the Company

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## **Schedule 1**

Deleted by Special Resolution dated 26 May 2011

## **Schedule 2**

### **Principles and Criteria**

FSC's global Principles and Criteria are contained within FSC International Standard FSC STD 01-001 and are available on <http://ic.fsc.org>

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## **Schedule 3**

Deleted by Special Resolution on 27/4/2010

## Schedule 4

### Worked example

- (a) Assume:
  - (i) the Economic Chamber has 20 Individual Members and 100 Organisation Members;
  - (ii) the Social Chamber has 2 Individual Members and 20 Organisation Members; and
  - (iii) the Environmental Chamber has 1 Individual Member and 9 Organisation Members.
- (b) The starting point is that all Members have 1 vote each.
- (c) Then applying rule 5.8(b)(i) the votes are adjusted as follows:
  - (i) for the Economic Chamber (as Individual Members account for more than 10% of this Sectoral Chamber)
    - (A) the 20 Individual Members have half a vote each;
    - (B) the 100 Organisation Members have 1 vote each;
  - (ii) for the Social Chamber (no adjustment as Individual Members account for 10% of this Sectoral Chamber)
    - (A) the 2 Individual Members have 1 vote each;
    - (B) the 20 Organisation Members have 1 vote each;
  - (iii) for the Environmental Chamber (no adjustment as Individual Members account for 10% of this Sectoral Chamber)
    - (A) the 1 Individual Members has 1 vote; and
    - (B) the 9 Organisation Members have 1 vote each;
- (d) Then applying rule 5.8(b)(ii) the votes are further adjusted as follows:
  - (i) for the Economic Chamber (no adjustment as it has the largest number of votes):
    - (A) the 20 Individual Members have half a vote each;
    - (B) the 100 Organisation Members have 1 vote each;
  - (ii) for the Social Chamber (increased so that it has the same voting power as the Economic Chamber ie 110 votes):
    - (A) the 2 Individual Members have 5 vote each;
    - (B) the 20 Organisation Members have 5 vote each;
  - (iii) for the Environmental Chamber (increased so that it has the same voting power as the Economic Chamber ie 110 votes)
    - (A) the 1 Individual Members has 11 vote; and
    - (B) the 9 Organisation Members have 11 vote each.