



Document 1.1

FOREST STEWARDSHIP COUNCIL A.C. BY-LAWS
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June 2006, February 2009)

MISSION STATEMENT

- 1 The Forest Stewardship Council A.C. (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.
- 2 Environmentally appropriate forest management ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity, and ecological processes.
- 3 Socially beneficial forest management helps both local people and society at large to enjoy long term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.
- 4 Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resource, the ecosystem, or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market forest products for their best value.

ACTIVITIES

- 5 FSC shall promote Principles and Criteria of Forest Stewardship through a voluntary accreditation programme for certification of forest management. FSC shall evaluate and accredit Certification Bodies based upon adherence to FSC Principles and adherence to FSC Guidelines for Certification Bodies.
- 6 FSC shall conduct educational activities aimed at increasing awareness of the importance of improving forest management, and the advantages of certification as a tool for this.



- 7 FSC shall also provide guidance and assistance on forest management issues to policy-makers, forest managers and legislators.

TENETS

- 8 The FSC Principles and Criteria are intended to apply without discrimination to tropical, temperate and boreal forests worldwide which are managed for production of forest products. FSC values equally the environmental, social and economic aspects of forest management included in the Principles and Criteria. FSC shall be a non-profit non-governmental organization, and shall remain independent from control by commercial interests, and government, multilateral and bilateral agencies, although collaboration with these entities will be sought.
- 9 The Forest Stewardship Council A.C. seeks to complement national legislation and international treaties and agreements promoting environmentally appropriate, socially beneficial and economically viable forest management. FSC shall promote equitable access to accreditation and certification, and shall avoid discrimination against small-scale Certification Bodies or forest operations.

FINANCE

- 10 FSC shall have six sources of revenue:
 - a evaluation fees paid by Certification Bodies to cover the costs of the accreditation process;
 - b accreditation fees charged to accredited Certification Bodies;
 - c fees for use of the FSC trademarks;
 - d grants and donations. FSC will accept contributions from non-governmental organizations, foundations, government sources, multilateral agencies private and public companies and individuals, as long as no restrictions are attached which would affect the independence or integrity of FSC;
 - e membership dues;



- f returns from investments and charges for FSC products and services (eg. FSC standards, technical reports).

It is determined in these By-laws that any surplus existing at the end of each fiscal term shall be dedicated to improving and increasing the programs of the Association.

GENERAL ASSEMBLY

- 11 FSC shall be constituted as an Association. Its highest organ shall be the General Assembly of individual members or duly designated delegates of member's organizations.
- 12 The General Assembly shall be made up of three chambers: The purpose of the chamber structure is to maintain the balance of voting power between different interests without having to limit the number of members. The votes within each chamber are divided equally between the members, while respecting the provisions of paragraph 13. If additional members join a chamber, the voting power of existing members declines accordingly. The first chamber shall be made up of social and indigenous organizations and assigned individuals. This chamber shall have 33.3% of the voting power in the General Assembly. The second chamber shall be made up of environmental organizations and assigned individuals. This chamber shall have 33.3% of the voting power in the General Assembly. The third chamber shall be made up of individuals and organizations with an economic interest in the forest products trade. It shall have 33.3% of the voting power in the General Assembly.
- 13 To achieve a balance between Northern and Southern perspectives within each chamber, Northern and Southern organizations and individuals shall have 50% of the voting power. In effect, there shall be "Northern" and "Southern" sub-chambers within each of the three chambers. The total voting weight of all individual Associates in each sub-chamber shall be limited to 10% of the sub-chamber's total voting weight.
- 14 Northern organizations are those based in High Income countries (according to United Nations criteria) and Southern organizations are those based in Low, Middle and Upper-middle income countries (again according to United Nations criteria). In case of doubt the Board will have the final say on whether a member is Northern or Southern. A list of countries classified according to Gross National Product per capita will be attached to the Statutes and periodically updated.
- 15 The General assembly shall strive to adopt decisions by consensus. In the case of a vote, the approval of motions shall require the affirmative vote of both a simple majority of the



voting power registered by associates in good standing in each chamber, and of 66.6% of the total voting power registered by associates in good standing, calculated as provided for in these by-laws (with the exception of board elections).

Abstentions shall not count as votes cast. A quorum of 50% +1 of votes from associates in good standing (calculated as provided for in these by-laws) in each chamber is required for a decision to be taken in a first ballot. In such case quorum or voting percentage is not obtained in any first ballot, the motions on the agenda shall be voted on by the associates by postal ballot within two months. In the case of a second ballot, a quorum shall not be required and the resolutions shall be considered as validly adopted when approved by both the affirmative vote of a simple majority of members within each chamber, and 66.6% of the total voting power registered by associates in good standing.

- 16 The General Assembly will be chaired by the Chairperson of the FSC Board. The General Assembly will adopt its own rules of procedure which will be proposed by the Board. If members are unable to attend a General Assembly due to financial reasons they may apply to the FSC Secretariat for financial support. The Secretariat shall seek to provide essential support according to the funds available, with priority going to Southern members.
- 17 Non members may attend the General Assembly as observers at the discretion of the Board.
- 18 The General Assembly will delegate operational activities and most decision making to the Board. The General Assembly will normally restrict its decisions to revising the Statutes and Principles and Criteria, admitting and destituting members, electing the Board and being the final authority in dispute resolutions.
- 19 The Ordinary General Assembly will be held at regular intervals, not to exceed three years, and will be convened by the Board.
- 20 An Extraordinary General Assembly may be convened at the request of the Board, or if requested by 1/3 of the members of each chamber.
- 21 Postal ballots. Postal ballots shall be held each year to elect Board members (see paragraph 58). The Board may organize additional ballots at its discretion.



MEMBERS

- 22 All members are entitled to vote in the Ordinary and Extraordinary General Assembly and in the Postal Ballot. It should be noted that the weight of the members' vote will depend on the chamber they are in.
- 23 Members must pay their dues for any year by the first day of that calendar year.
- 24 Organizational members shall designate a representative who shall be responsible for liaison between the organization and FSC and shall be delegated to represent the organization at the General Assembly.
- 25 Prospective FSC members must provide written evidence that they support FSC as an organization, its aims and activities and its Principles and Criteria. In the case of organizational members, this support will take the form of a statement from the Board of the organization.
- 26 Prospective members must not be currently promulgating statements opposing FSC or certification.
- 27 FSC reserves the right to explore any grievances from members concerning a prospective member's activities or operations. Normally applications will be held pending until these grievances are resolved if the grievances are considered by the Board to be substantial.

MEMBERSHIP CRITERIA

Economic Interest Chamber

- 28 Organizations and individuals with a commercial vested interest in commercial forest product organizations, including employees, consultants or representatives of forest product companies, Certification Bodies, industry Associations (whether for profit or not-for-profit), wholesales, retailers, traders, end-users, and consulting companies and government owned or controlled companies may apply for membership of this chamber.
- 29 All prospective members with economic interests must have demonstrated active commitment to implementing the FSC Principles and Criteria in their operations. It is expected that Certification Bodies be in the process of being accredited by FSC, that traders have made a commitment to have a significant percentage of their sales in certified timber by a set date in the reasonable future, and that producers have a significant part of their pro-



duction forests certified by an FSC accredited certification body or be certified within a reasonable time frame (normally this will not exceed two years).

- 30 To avoid the risk of admitting forest producers or forest product traders which have a small model operation meeting FSC requirements, while the rest of their operations are not acceptable, FSC must be satisfied that the entire operation will conform with FSC requirements within a reasonable time-frame.

31 Social Chamber

Membership of the social chamber is limited to indigenous organizations and social movements and assigned individuals active in promoting environmentally appropriate, socially beneficial and economically viable forest management.

31 Bis Environmental Chamber

Membership of the chamber environmental is limited to not-for-profit non-governmental organizations and assigned individuals with a demonstrated commitment to environmentally appropriate, socially beneficial and economically viable forest management.

- 32 Prospective members must conform to the laws of the State in which their seat is located. They must have a governing Board which is independent from government bodies and which is periodically renewed by election or appointment.
- 33 Organizations such as academic and research institutions, law Associations or forest product Associations shall be assigned to the appropriate chamber by the Board, according to the nature of their activities.

MEMBERSHIP APPLICATION PROCESS

- 34 All applications for FSC membership must be submitted in writing to the Board. The Board may establish a membership committee. Applications must be accompanied by:
- a statement of support for FSC describing how the organization or individual is meeting the aims of FSC;
 - b for organizations, Statutes, annual report, information on funding and activities and any publicly available accounts of the organization, list of members (if relevant);



- c in the case of a non-profit organization, evidence of charitable or not-for-profit status having been granted by the government of the State where the seat is located;
 - d in the case of prospective members of the economic interest chamber, detailed documentation will be needed, describing the organization or individual's commercial activities, details of forest operations or sources (and how active commitment to FSC's and the Principles and Criteria is being implemented) and identity of directors, parent company and other relevant commercial relationships. At the request of the prospective member, the Board may treat financial information from the prospective member as confidential;
 - e statement of support for the application from two FSC members.
- 35 On receipt of the application, the Board shall consider it and may ask for additional information. It will then consult with FSC members in the country where the applicant is based. The Board shall assess whether:
- a the organization is bona fide;
 - b there are any extant social, environmental or legal grievances;
 - c the candidate genuinely supports FSC and its activities.
- 36 If the opinion of the Board is favorable on these matters the organization or individual is admitted to membership on a provisional basis. Every three months the Board publishes new applications for membership and allows the opportunity for existing members to challenge any applications recommended by the Board. Challenges must be supported by written documentation and endorsed by at least two FSC members. If no challenge has been received six months after the first publication of the member's application, the membership application is considered to be confirmed. In the case of a challenge the final decision will be taken by a vote of the General Assembly. In the case of prospective members which are transnational corporations with national organizations in several countries, applications must be received from each of the national organizations.
- 37 Once admitted to membership each new member shall ensure that an announcement of its admission is circulated to its own membership with a view to disseminating the objectives of FSC.
- 38 Members shall promptly inform the FSC Executive Director of any important change in the particulars supplied in support of their application for membership, which may affect their eligibility for membership of the chamber to which they should belong.



- 39 Each year members shall provide the Executive Director with a report of their annual activities and any publicly available accounts for the previous year.

MEMBERSHIP DUES

- 40 Members shall be charged annual dues on a sliding scale basis on their operating expenditure. The dues should cover the costs of servicing the FSC membership without discriminating against Southern members. The Board shall periodically review, update, and publish the schedule of membership dues. When a new member joins FSC, dues for the first year will be prorated according to the date (e.g. if the member joins on July 1st, half of the annual dues will be payable for the first year).

DESTITUTION, SUSPENSION, WITHDRAWAL AND READMISSION OF MEMBERS.

- 41 If a member engages in activities contrary to the interests of FSC or no longer meets the membership criteria, a destitution process may be initiated by the Board or an individual member (supported by two other members).
- 42 Any proposed destitution or suspension of a member must be presented to the Board in writing accompanied by a justification. The Board will consider the matter and if it considers that the complaint is substantial it shall request the member to present within four months a written explanation of the reasons why, in its opinion, suspension or destitution is not justified.
- 43 After examining the arguments presented by the member, or in the absence of such arguments, the Board shall inform the member whether it proposes to invite the General Assembly to vote on the suspension or destitution of the member.
- 44 If within two months of the notification of this proposal the member does not inform the Executive Director in writing of its opposition, the member is considered to have withdrawn from the membership of FSC. If the member does oppose the proposal, the Executive Director shall submit the proposal together with the arguments of the member to a postal ballot of the General Assembly which will be final.
- 45 The rights of a member in connection with General Assemblies shall be automatically suspended when the dues of that member are nine months in arrears. If the dues are one year in arrears, the member is considered to have withdrawn from FSC.



- 46 If a former member which is considered to have withdrawn from membership pursuant to paragraph 44 or 45 above seeks readmission to membership, all dues outstanding at the time of withdrawal must be paid first. After this has been done, the member may be re-admitted at the discretion of the Board without having to complete application procedures for new members.
- 47 Any member may withdraw from FSC membership at any time by giving notice to the Executive Director to that effect. The member withdrawing will not be entitled to any refund of membership dues paid.

BOARD OF DIRECTORS

- 48 The Board of Directors is accountable to the FSC members, and to the public authorities in the country in which FSC is headquartered. Directors shall represent FSC in public where appropriate.
- 49 The Directors must ensure that FSC adheres to the FSC Statutes, as well as to national legislation and administrative procedures for non-profit organizations. FSC Directors shall be required to sign a confidentiality agreement and to keep financial information about members and accredited Certification Bodies confidential.
- 50 The Board of Directors is made up of nine individuals who are elected for a three year term. They shall either be individual members of FSC or duly designated delegates of member organizations. Directors shall seek to take decisions which benefit the association as a whole and represent the views and concerns of the category which they represent (e.g. South/Social) in Board deliberations rather than simply reflecting the views of the organization with which they are affiliated.

Directors who are duly designated representatives of member organizations may not be substituted or replaced by another person. If a Director leaves an FSC member organization and becomes affiliated with another organization in the same category, the Director may remain a member of the Board if both organizations agree to this in writing.

If the Director becomes affiliated with an organization in another category he or she must resign from the Board. Commercial interests not demonstratively committed to FSC, certification bodies and industry Associations may not be represented on the Board.

Individuals shall not simultaneously hold a staff position in the Secretariat and retain a seat on the Board of Directors.



51 Three Board members (including one from the North and one from the South) shall come from and shall represent economic interests, but shall not be duly designated delegates of Certification Bodies.

52 Three Board members shall come members in the environmental chamber and three from members in the social chamber. There shall be one northern and one southern representative within each chamber. The additional positions will alternate between northern and southern members.

53 In electing the Board, the General Assembly shall aim for regional and gender balance.

A nomination committee will be appointed by the General Assembly to seek sufficient candidates for all Board positions. This committee should be made up by of three experienced members e.g. ex-Board members, one from each chamber and at least one from each North and South. The committee may not exclude potential candidates nominated by other members but are charged with ensuring that at least two candidates stand for each position vacant.

54 Directors are allowed to serve two consecutive, 3-year terms, subject to re-election by the membership according to the existing Statutes. If a Board member ends his or her term prematurely for whatever reason, a new member will be elected by postal ballot from the appropriate category (e.g. Northern/Environmental), using the process described in paragraph 58.

55 If a Board member acts against the interest of FSC, he or she may be destituted if no improvements are noted after receiving a written warning from the Chairperson of the Board. Destitution requires a majority vote by the Board and then a vote by the General Assembly.

56 The Board shall elect a Chairperson and Vice-Chair by majority vote at the first meeting each calendar year and may also elect a Treasurer and Secretary. The Board will take decisions by consensus. In the case a vote is taken, decisions shall require both the affirmative vote of six members and at least one favorable vote from each chamber representative. Votes will be recorded in the Minutes. The quorum for Board meetings is seven. Minutes from Board meetings will be distributed to all members in English and Spanish.

57 BOARD OFFICERS AND DUTIES

a Principal Duties of the Chairperson:



- preside at meetings or sessions, including opening, calling to order and closing;
- represent the Board at all times, and FSC where appropriate.

b Principal Duties of the Vice-Chair:

- assist the Chair in preparation of meeting agenda, presiding meetings, and all other tasks as requested by the Chair.

c Principal duties of the Treasurer:

- monitor the organization's bookkeeping, including all bank accounts, accounts receivable and payable, or as mandated by the Board;
- oversee the preparation and presentation of all financial reports for Board approval, or as requested by external auditors;
- present a financial report at regular Board meetings, including as a minimum:
 - > the amount on hand at the beginning of the period in question
 - > the amount received since the close of the previous period in question
 - > the amount paid since the close of the previous period
 - > the balance on hand.

The Treasurer will normally delegate authority for managing the organization's day-to-day accounts to the Executive Director, upon approval by the Board. Under this arrangement, the authority to draft upon the organization's accounts will require two signatures, that of the Executive Director and the staff accountant.

d Principal Duties of the Secretary:

- maintain all official documents of the organization, such as the Charter, Principles and Criteria, Guidelines for Certification Bodies, other By-laws, property records and written records of all Board deliberations;
- prepare and distribute to the membership, upon approval by the Chair, written summaries of all Board deliberations.



The Secretary position will automatically be filled by the Executive Director, who will be present at all Board sessions in a non-voting capacity. In the unusual event that the Executive Director is not present at a Board session, the Chair will appoint one of the members present, or arrange for a staff person, to act as the Secretary for the duration of the session in question.

e Appointment and Duration of Terms

All officers except the Secretary will be elected from amongst the Board members present at the first session of every calendar year. Officers are not substitutable unless, under exceptional circumstances, it is agreed upon by the Board.

- 58 To ensure continuity, three Directors will retire at the end of each calendar year. They will be replaced by postal ballot or General Assembly vote. The Board will receive seconded nominations of candidates and will prepare a written ballot classifying each candidate into the appropriate category (e.g. Northern/Environmental). Each member of FSC will then cast their vote by post or in the General Assembly, and the votes will be weighted according to the provisions of paragraphs 12 to 14. The Board will prepare the ballot, keeping in mind the eligibility of candidates as defined by paragraph 53. Whenever elections coincide with a General Assembly, Board elections will be arranged by a combination of postal ballot (for members not represented by delegates at the General Assembly) and votes at the General Assembly according to procedures determined by the Board.
- 59 Board members shall be reimbursed by FSC for travel, Board and accommodation costs associated with FSC Board meetings and other activities authorized by the Board.

THE EXECUTIVE DIRECTOR AND THE SECRETARIAT

- 60 The Secretariat is headed by a Board-appointed Executive Director. He or she shall be the chief executive of FSC.
- 61 The Executive Director shall be responsible to the Board for the effective implementation of the policies of FSC.
- 62 The Executive Director will be responsible for the finances, accounting and administration of FSC.
- 63 The Executive Director is responsible for ensuring that the legal requirements for business operation are met in all countries where FSC is operating.



- 64 The Executive Director shall appoint the staff of the Secretariat in accordance with staff rules formulated by the Executive Director and approved by the Board. The staff shall be selected on as wide a geographical basis as possible and there shall be no discrimination on gender, ethnic or religious grounds.
- 65 In the performance of their duties the Executive Director and the staff shall not receive instructions from any authority external to FSC. They shall refrain from any activities incompatible with their position as staff members.
- 66 The accounts of FSC shall be examined annually by an auditor appointed by the Board. The Executive Director will submit each year to the Board for approval the audited accounts together with a report on the activities of the organization over the previous year. When approved by the Board this report shall be sent to the members on request.
- 67 The Executive Director shall submit each year to the Board for approval an annual budget and workplan based on estimates of income and expenditure and will keep the Board informed of unforeseen expenses and significant variations from projected income. Once the budget and workplan have been approved by the Board, they shall be sent to the members on request.
- 68 The Executive Director shall be appointed by the Board on such terms and conditions as may be determined by the Board and set forth in a contract. The performance of the Executive Director will be subject to annual reviews.
- 69 The Executive Director, and other staff as the Board may determine, shall attend Board Meetings, but shall not be able to vote. The Board may choose to take certain decisions in closed session under exceptional circumstances.
- 70 The Executive Director shall encourage collaboration with interested individuals and organizations who can contribute to FSC's mission.

NATIONAL AND REGIONAL BODIES AND INITIATIVES

- 71 FSC shall encourage and support national and regional initiatives which are in line with the FSC mission. The objectives of this are to decentralize the work of FSC and to encourage local participation in a manner consistent with the structure and purpose of FSC. Guidelines and minimum requirements for national and regional initiatives that are consistent with the vision of the Founding Assembly shall be published by FSC and shall require that national initiatives will seek consensus in their decisions. These decisions shall be taken in



a manner which demonstrates the support of each chamber following the model described in paragraph 15 and as defined by FSC. If an FSC body is established in a country or region it will fit into one of the following categories:

a FSC Contact Person:

The FSC Contact Person shall collaborate with FSC to distribute information regarding the organization and its mission and to promote discussions on certification within the country or region concerned. The Contact Person shall be an individual member of FSC or a duly designated delegate of a member organization.

a FSC Working Group:

In countries or regions with a high level of interest in certification, an FSC Working Group, representing social, economic and environmental interests, may be established to facilitate a consultative process on certification through meetings and workshops. The consultative process should be open and transparent and involve all relevant stakeholder groups.

b FSC Advisory Board:

Once a consultative process has been completed in a country or region, a national or regional Assembly of stakeholders may be called to formally elect a national or regional Advisory Board. The composition of the Board and the structure of the assembly should be similar to those of FSC as outlined in these By-laws. The functions of the Board will be to promote FSC and its mission, to maintain ongoing consultations on certification, to facilitate and oversee the process of developing national forest stewardship standards in accordance with the FSC Principles and Criteria and to review and make recommendations on applications by Certification Bodies to the FSC Secretariat for accreditation.

c FSC National or Regional Office:

Where an FSC Advisory Board exists and national and/or international Certification Bodies are operational, FSC may encourage the establishment of a national or regional office. The relationship between a national office and its Board will parallel the relationship between the FSC Secretariat and Board of Directors as outlined in these By-laws.

Irrespective of the nature of FSC's presence in a country or region, the International FSC will retain the final say in approving National Standards and accrediting Certification Bodies. FSC will retain strict control of the use of FSC's name and logo throughout the world and the establishment of any national body will be subject to formal written authorization by the FSC Secretariat defining which category the particular national or regional body has



been placed in and clearly specifying its rights and responsibilities. The FSC Board reserves the right to withdraw FSC recognition from a national body if the terms of this agreement are not respected. The FSC Secretariat will not undertake activities in a country or region without consulting the relevant FSC body.

COMMITTEES

72 Dispute Resolution and Accreditation Appeals Committee.

The Board shall establish a committee of members to (i) deal with disputes and grievances from members and (ii) review accreditation decisions. In connection with matters regarding accreditation, the committee shall make recommendations to the Board based on the extent to which Certification Bodies are considered to adhere to the FSC Principles ad Criteria, and FSC Guidelines for Certification Bodies.

The committee shall be named by the Board and shall be made up of six representatives, provided such committee shall be formed by one member from the North sub-chamber and one from the South sub-chamber from each of the Social, Environmental and Economic Chambers, and provided further, that at least one of the members of the committee shall be from:

- North America (including Mexico)
- Central and South America and the Caribbean
- Europe
- Australia and Oceania
- Asia
- Africa

73 Members may submit grievances or disputes concerning (i) the performance of the Executive Director, the Secretariat or the Board or (ii) accreditation decisions, to the dispute resolutions and accreditation appeals committee with a copy to the Chairperson of the Board. Grievances regarding (i) above must be submitted in writing and must be seconded by two other members.



74 If the committee (which shall have similar decision-making procedures to the Board) decides that the grievance has merit, the Chairperson of the Board will be asked to consider the matter in consultation with the Board (and Secretariat, if necessary) and propose a solution within two months. If the committee is satisfied by the proposed solution, it shall submit it to the plaintiff. The committee may propose an alternative solution if it is not satisfied with the one proposed by the Board.

75 If the plaintiff is not satisfied with the solution proposed by the committee, the matter will be referred to the General Assembly for a vote by the committee in consultation with the Board.

76 In addition to the Dispute Resolutions and Accreditation Appeals Committee, the Board may establish a number of committees to assist FSC with both operational and management tasks, (on which both members and outside experts may be invited to serve), including for example:

a Technical Committee:

This committee would be responsible for reviewing and making recommendations upon the FSC Principles and Criteria, national and regional standards and other matters determined by the Board. All final decisions regarding changes in the Principles and Criteria will be made by the Board of Directors and the General Assembly.

OFFICIAL LANGUAGES

77 The official languages of the FSC are English and Spanish. Therefore, the principal documents and materials published by the FSC shall be available in both languages. Documents submitted to FSC (Standards, applications, etc.) may be in English or Spanish. In the future other languages could be included.

SEAT

78 Mexico is the current seat of FSC



LEGAL STATUS

79 The Executive Director, with the approval of the Board has the authority to take the appropriate steps to obtain, in accordance with the laws of the country in which FSC is to undertake activities, such legal status as may be necessary to carry out those activities.

MEMBERSHIP REGULATIONS

80 The Board may prepare membership regulations for approval by the General Assembly. The regulations shall conform to the Statutes and neither limit nor expand the powers of the members to exercise control on any matter required by the Statutes or the authority conferred by the Statutes upon the Board or Executive Director.

AMENDMENTS

81 The Board shall consider any amendment to these By-laws proposed by a member in writing and seconded by two other members. If the Board agrees to the proposal the amendment shall be submitted to vote by the next General Assembly.

DISSOLUTION

82 The General Assembly may only resolve on the dissolution of FSC on the basis of a recommendation by the Board which will be submitted to a vote by the General Assembly.

83 Upon dissolution, the assets of the FSC shall be distributed and assigned in accordance with the rules set forth in Article 2686 of the Mexican Civil Code, and the Title Seven of the FSC Statutes

84 Any omissions from the Statutes or differences of opinion concerning their interpretation will be resolved by the Board.



85 TRANSITORY CLAUSES

The amended Sections 12, 32 and 73 of the By-laws of FSC as approved by the General Associates Assembly held on June 27 and 28, 1996, shall be effective upon fulfillment of the following condition precedent: that the FSC have at least (i) 15 members corresponding to the Northern perspectives representing social interests of the Social/Environmental Chamber, (ii) 15 members corresponding to the Southern perspectives representing social interests of the Social/Environmental Chamber, (iii) 15 members corresponding to the Northern perspectives representing environmental interests of the Social/Environmental Chamber and (iv) 15 members corresponding to the Southern perspectives representing environmental interests of the Social/Environmental Chamber. Once the above mentioned condition precedent is complied with, the Executive Director of the FSC shall issue a certification stating such event. Upon the issuance of such certification by the Executive Director, the Social/Environmental Chamber shall be divided into two different Chambers: the Social Chamber and the Environmental Chamber, provided that both chambers shall be divided into Northern and Southern sub-chambers respectively.

As long as the condition precedent above mentioned is not fulfilled, the effective text of Sections 12, 32 and 73 of the By-laws is the following:

12 The General Assembly shall be made up of two chambers: The purpose of the chamber structure is to maintain the balance of voting power between different interests without having to limit the number of members. The votes within each chamber are divided equally between the members, while respecting the provisions of paragraph 13. If additional members join a chamber, the voting power of existing members declines accordingly. The first chamber shall be made up of social, environmental and indigenous organizations. This chamber shall have 66.6% of the voting power in the General Assembly.

12 Bis The second chamber shall be made up of individuals and organizations with an economic interest in the forest products trade. It shall have 33.3% of the voting power in the General Assembly.

Social and Environmental chamber

32 Membership of this chamber is limited to:

- a not-for-profit non-governmental organizations with a demonstrated commitment to environmentally appropriate, socially beneficial and economically viable forest management.



- b indigenous organizations and social movements active in the promoting of environmentally appropriate, socially beneficial and economically viable forest management.

73. COMMITTEES

Dispute resolution and accreditation appeals committee

The Board shall establish a committee of members to (i) deal with disputes and grievances from members and (ii) review the accreditation decisions. In connection with matters regarding accreditation, the committee shall make recommendations to the Board based on the extent to which Certification Bodies are considered to adhere to the FSC Principles and Criteria, and FSC Guidelines for Certification Bodies.

The committee shall be named by the Board and shall be made up of six representatives, provided such committee shall be formed by two members from the North sub-chamber and two from the South sub-chamber from the Social/Environmental Chamber, and one member from the North Sub-chamber and one member from the South sub-chamber of the Economic Chambers, provided further, that at least one of the members of the committee is from:

- North America (including Mexico)
- Central and South America and the Caribbean
- Europe
- Australia and Oceania
- Asia
- Africa