



**A PUBLIC INVOLVEMENT PROGRAM
FOR
CANADIAN FOREST PRODUCTS LTD.'s
FOREST MANAGEMENT AGREEMENT (FMA) 9900037**



**Original – approved February 1998
Revision 1 - May 14, 2001
Approved May 28, 2001**

TABLE OF CONTENTS

1.	INTRODUCTION.....	1
1.1	CANFOR POLICIES & PRINCIPLES.....	1
1.2	CANFOR CERTIFICATION.....	2
1.3	PUBLIC INVOLVEMENT OBJECTIVES.....	3
2.	PUBLIC INVOLVEMENT PROGRAM ELEMENTS.....	4
2.1	COMMUNICATION MECHANISMS.....	4
2.1.1	Dissemination of information.....	4
2.1.1.1	Stakeholder Database	4
2.1.1.2	Advertising	4
2.1.1.3	Public Access To Company Documents.....	5
2.1.1.4	Forest Management Reporting	5
2.1.1.4.1	Public Reporting	5
2.1.1.4.2	Government Reporting.....	5
2.1.2	Public Input	5
2.1.2.1	Forest Management Advisory Committee (FMAC)	5
2.1.2.2	Public Meetings	7
2.1.2.3	Written Submissions.....	8
2.1.2.4	Annual Trapper Notifications	8
2.1.2.5	Outfitters Notification.....	8
2.1.2.6	Field Tours.....	9
2.2	PERFORMANCE MONITORING.....	9
2.3	CONFLICT RESOLUTION	10
2.4	STAKEHOLDERS	11
3.	REFERENCES:.....	16
	APPENDIX 1 CORPORATE POLICIES.....	18
	APPENDIX 2 CANFOR CONTACT INFORMATION	24
	APPENDIX 3 FMAC TERMS OF REFERENCE.....	28

1. Introduction

Public participation is a major component in the development of the Detailed Forest Management Plan (DFMP) and an integral part of our formal planning process. Canfor, as a steward of public lands, through its FMA, believes in the value of public involvement in discussing the company's planning, operations and performance. Canfor's corporate policies and certification strategy clearly demonstrates the importance of public involvement to our business.

1.1 Canfor Policies & Principles

With the ever-increasing interest by stakeholders in how forest products companies manage the forest resource, it is becoming more important to provide opportunities for the public to become involved. The following segments from our corporate policies highlight Canfor's commitment to public involvement (see Appendix 1 for policy documents):

- ◆ Canfor's Corporate *Environment Policy* states:
 - ... "Create opportunities for interested parties to have input to our forest planning activities", and
 - ... "Communicate our environmental performance to our Board of Directors, shareholders, employees, customers and other interested parties."

- ◆ Canfor's Corporate *Mission Statement* states:
 - ... "We will be characterised by:...Enhancing the forest resource, ensuring responsible stewardship of the environment, and protecting human health and safety", and
 - ... "We will be guided by the core values of integrity, trust, openness and respect for people."

In addition, Canfor has developed *Forestry Principles*, which will provide the foundation for forest management strategies, policies and operating procedures for all our operations into the next century. Specifically, there are two principles that relate to public involvement:

- ◆ Communities
"We will engage members of the public, communities and other stakeholders in the delivery of the *Forestry Principles*. The process will be open, transparent and accountable"

- ◆ Accountability
"We will be accountable to the public for managing forests to achieve present and future values. We will use credible, internationally recognized, third party verification of our forestry operations as one way of demonstrating our performance."

1.2 Canfor Certification



There has long been a need to demonstrate to the public that the publicly owned forestlands are being sustainably managed. Alberta recognized this in the early 1990s with the inception of ForestCare, a set of standards for continual improvement and environmental stewardship created by member companies of the Alberta Forest Products Association and community stakeholders from across Alberta. ForestCare is about Care for the Community (developing a relationship between industry and community stakeholders), Care for the Forest (managing the forest sustainably and with all values, social, economic and environmental, in mind) and Care for the Environment (managing our fuel and waste products carefully).

In 1997, after a successful audit, Canfor Alberta Region achieved ForestCare certification. While ForestCare has a high relevance in Alberta, Canfor required additional certification due to market considerations for the entire company.

Canfor Corporation implemented a comprehensive certification strategy that reflects our long-standing commitment to excellence in forest stewardship. In November of 1998, work began at all of Canfor's Woodlands Operations on developing an Environmental Management System (EMS) to the ISO 14001 standards, a systems based standard that is recognized and respected around the world. An effective EMS contains procedures to help companies support environmental protection and prevention of pollution in balance with socio-economic needs. In November of 1999, all Canfor operations successfully underwent an independent third party audit that assessed our EMS against the stringent ISO 14001 standards. Since that time, we have been successful in 2 surveillance audits. Surveillance audits occur 6 months after certification and then annually until the 3rd year at which time a full-scale re-certification audit is required.





Building on our ISO 14001 certification, Canfor pursued the Canadian Standards Association (CSA) forest sustainability certification. In June of 2000, our Sustainable Forest Management Plan was certified to the CSA standards. Not only are the standards consistent with international criteria for sustainability, but the CSA standard also requires:

- A high degree of public participation in defining the Sustainable Forest Management Plan (see section 2.1.2.1 on Forest Management Advisory Committee for details on our public participation component of CSA),
- Independent audits by accredited registrars, and
- Continual improvement of the plan (verified by yearly surveillance audits).

Public participation was the key to our successful CSA certification and will continue to play a key role in our ongoing maintenance of the Sustainable Forest Management Plan (and the DFMP). Part of the commitment required in the CSA standard is public reporting. More detail is provided in Section 2.1.1.3.1

During the audit process in all 3 certification schemes, Canfor requested a public member from the Forest Management Advisory Committee to observe on each audit. The

1.3 Public Involvement Objectives

Canfor's overall goal is to ensure that members of the public have opportunities to contribute their input about forest management. To achieve this goal, the following objectives from the Land and Forest Service Policy, *Public Involvement for FMA Planning: Policy and Process March 1990* are our "guide".

Objective 1. To meet the Sustainable Resource Development Department public involvement requirements:

- i. to provide legitimate opportunities for public participation in the planning for forest resources on FMA lands;
- ii. to provide an increased information exchange among forest resource managers and the public-at-large;
- iii. to promote increased "public" awareness of forest management practices;
- iv. to record information and concerns provided by the public, and provide feedback to the public on resolution of those concerns, and;
- v. to develop forest management plans that address public needs wherever possible.

Objective 2. To meet Canfor's Environment Policy, Mission Statement and Forestry Principles.

The ISO standard requires that an Environment Policy is in place and through the course of the audits, adherence to our policies are verified. In addition, the ISO standard requires adherence to any other commitments that the company has made, such as *Canfor's Forestry Principles*.

Objective 3. To meet our CSA public involvement commitments.

During the public process of identifying values, goals, indicators and objectives for the Sustainable Forest Management Plan, several objectives relating to public involvement were identified under Criterion 6 "Accepting Society's Responsibility for Sustainable Development." (Reference -SFM Plan – June 2000 Section 5; Criterion 6.) Progress on the achievement of these objectives will be monitored through an Annual Public Report that will be produced. (Reference Section 2.1.1.3.1)

2. Public Involvement Program Elements

An effective Public Involvement Program has many elements such as; Communication mechanisms, (including both dissemination and feedback), indicators of success, methods of resolving conflict (situation where the company can not answer the stakeholders concern to their satisfaction) and finally, knowledge of the identity of the stakeholders. This section describes those elements as they relate to Canfor's business.

2.1 Communication Mechanisms

To effectively obtain public input, the public must be supplied with information on our activities as well as various opportunities by which they can voice their concerns. The following section describes those opportunities.

2.1.1 Dissemination of information

Canfor utilizes different ways to disseminate information to stakeholder groups.

2.1.1.1 Stakeholder Database

Canfor maintains a stakeholder database that easily identifies stakeholders by interest group, (e.g., trappers, outfitters, advisory committee, municipal government, etc.). The categories are similar to those listed in Section 2.4 of this document. Dissemination of information to any or all of these groups is readily facilitated by the mail-merge function of the database, which allows quick and easy access to a number of stakeholder groups.

2.1.1.2 Advertising

Advertising in the local newspaper and radio is utilized to inform a large cross section of stakeholders about a particular event or achievement of the company

2.1.1.3 Public Access To Company Documents

Documents such as our Annual Operating Plan, Sustainable Forest Management Plan for CSA certification and once approved, our Detailed Forest Management Plan are made available to the public through the following local libraries:

- Grande Prairie
- DeBolt
- Valleyview
- Spirit River
- Grande Cache

Additional documents, such as our public reports will also be forwarded to the public libraries for their use.

2.1.1.4 Forest Management Reporting

2.1.1.4.1 Public Reporting

As part of Canfor's CSA certification commitment (Reference Section 1.2), Canfor is committed to provide an Annual Public Report on our forest management activities including the progress we have made in achieving the CSA objectives. The first one is scheduled for the fall of 2001.

2.1.1.4.2 Government Reporting

As per the *Interim Forest Management Planning Manual – Guidelines to Plan Development Version: April 1998*, a Forest Stewardship Report is required every 5 years to report on performance and provide feedback so that improvements in management can be made. Canfor's schedule is to produce the first report 5 years after approval of the plan.

2.1.2 Public Input

2.1.2.1 Forest Management Advisory Committee (FMAC)

Canfor recognizes the rights of stakeholders to be involved in the planning process, and wants to ensure that the public's issues are addressed. Canfor has accomplished this by:

- ◆ Seeking representation from a variety of stakeholders, including environmental groups, to participate in a public advisory group to Canfor. This public advisory group is termed FMAC – Forest Management Advisory Committee. They have in the past and continue to play a role in:
 - The development of our Public Involvement Program,
 - The development of our Detailed Forest Management Plan, and
 - The development of our Sustainable Forest Management Plan for CSA certification.

- ◆ Reviewing the stakeholder representation on the advisory committee on an annual basis, and

- ◆ Pursuing the CSA certification standard, the only one that requires the public to play a role in defining values and objectives for Forest Management Planning. There is also a requirement for annual reviews and ongoing participation of the Advisory Committee. The Forest Management Advisory Committee (FMAC), which was already in existence, was asked to be the public body to provide that input. They agreed and the process began in January 2000.

The Forest Management Advisory Committee was established in September 1995. The members of this Committee (updated as of May 2001) consist of the following stakeholder groups:

- | | |
|---|--|
| • Alberta Trappers Association | • MD of Greenview No. 16 |
| • Town of Valleyview | • City of Grande Prairie |
| • County of Grande Prairie No. 1 | • Alberta Professional Outfitters Society |
| • Grande Prairie Regional College | • South Peace Environmental Society |
| • Grande Prairie Regional Tourism Association | • Sturgeon Lake Cree Nation
(New member appointed May 2001) |
| • Valleyview and District Fish and Game Association | • Canadian Association of Petroleum Producers |
| • Grande Prairie Chamber of Commerce
(New member appointed May 2001) | • Metis Nation 1990
(New Member appointed May 2001) |

Canfor, Tolko Industries Ltd., Ainsworth Lumber Company Ltd., and the Sustainable Resource Development– Land and Forest Service serve in an advisory capacity to this Committee.

The Terms of Reference document for the FMAC was revised during the CSA process to incorporate their new role. The Terms of Reference are included in Appendix 3 of this document.

Field trips are organized (Reference Section 2.1.2.6) and guest speakers are brought in on an as needed basis. Members are

encouraged to attend external seminars and Canfor considers each request for funding assistance.

The main role of this Committee is for the various stakeholder groups, as represented by their committee members, to have opportunities to provide input into our DFMP. To accomplish this, an issues list was developed to record all issues that have been brought up during the FMAC meetings. This list is continually reviewed, updated and added to by the Committee. The Woodlands staff is working on resolutions to these issues. This issues list, along with the resolutions, will provide the basis for a public input document to be inserted as an appendix in the DFMP.

Once the DFMP is approved, the Committee will continue on in an advisory capacity to Canfor on various aspects of our operations, including periodic reviews of our management plan and public involvement program.

Timelines

Meetings occur every six weeks until the DFMP is approved, after which the frequency of the meetings will be reviewed.

2.1.2.2 Public Meetings

Public meetings are organized for review of various plans as required. Meetings could be held in Grande Prairie, Spirit River, Valleyview, Grande Cache, and DeBolt, as warranted.

The objectives of these public meetings are to:

- ◆ Communicate with the general public and interested stakeholder groups about the Detailed Forest Management Plan, Annual Operating Plans, Herbicide Plans and/or other various forest activities, and
- ◆ To provide opportunities for input.

To inform the public about these meetings, a variety of methods could be utilized:

1. A press release,
2. Advertising in local media outlets, and/or
3. Letters to stakeholders.

A typical meeting consists of our woodlands team presenting pertinent topics and providing maps and other information to the public.

Participants are provided an opportunity to voice any issues regarding forest management or Canfor's operation in Grande Prairie. Canfor responds to all concerns raised throughout the meeting. These

questions and responses are documented and provided to Sustainable Resource Development, Land and Forest Service.

Timelines:

- a) **Annual Operating Plan (AOP) public meetings scheduled annually for early spring.**
- b) **Town Hall meetings for the DFMP as required. (one was held November 1998.)**
- c) **Herbicide public meetings as required.**

2.1.2.3 Written Submissions

Canfor responds to any written concerns in writing. Submissions from the public are encouraged. (See Appendix 2 for contact information.)

Timelines:

Submissions accepted at any time.

2.1.2.4 Annual Trapper Notifications

Canfor has retained 2 contractors to hand deliver annual trapper notifications regarding our harvesting and silviculture activities. Each senior trapper receives a map indicating the planned activities and the contractor answers any questions during his visit. Any concerns are noted on the notification form, dated, signed (if possible) and completed forms returned to Canfor supervisors. Trapper comments are recorded in Canfor's Incident Tracking System (Reference Section 2.2) and actions planned to ensure follow up. They are then kept on file for information purposes. Additional details regarding trapper notifications can be found in Canfor's document entitled "*Trappers Notification Program*". Copies are available at our office. (See Appendix 2 for contact information.)

Timelines:

Notifications are performed in person on an annual basis every fall prior to harvesting operations start-up, and on an as-needed basis for Licence of Occupation and silviculture (including herbicide) notifications.

2.1.2.5 Outfitters Notification

Canfor has compiled an outfitters contact list associated with areas of operation within our FMA area. With their input and co-operation, a notification process will be developed.

Timelines:

The Notification process will be developed by June 30, 2001.

2.1.2.6 Field Tours

Any request for field tours of Canfor's forest operations will be accommodated. Field tours are an effective way to show the public how the forest resources are managed. Tours of our woodlands have been conducted for the Chamber of Commerce, City Council, numerous school groups, our Advisory Committee, Canfor employees, as well as a few interested publics. We will continue to utilize field tours as a means of showing our stakeholders our business and increasing public awareness.

Timelines:

We will endeavour to deliver at least one field tour a year targeted at a specific stakeholder group. We are pleased to host field tours when approached by interested groups.

2.2 Performance Monitoring

The following factors assist in monitoring our performance of our Public Involvement Program:

- Issue resolution resulting from the FMAC issue list,
- Direct feedback received at public meetings, and
- Status of incidents in Incident Tracking system – Public comments (see below)

Through our Environmental Management System, we have established a procedure for tracking public comments in our Incident Tracking System (ITS) (see Figure 1). The ITS allows all public comments to be recorded and action plans developed and tracked to ensure appropriate follow up. All records are evaluated annually to determine if trends have developed. If trends are identified, then an action plan is implemented to address the concern. This process assists in determining our success in dealing with public concerns.

Figure 1: Canfor's Incident Tracking System (ITS) for Public Comments
A system to record and speak to public comments

The screenshot shows a software window titled "Incident List". At the top, there are several dropdown menus: "Type" set to "Public Comment", "Operation" set to "Grande Prairie Division (10)", "Status" set to "Open", and "Reported" set to "All". To the right of these menus are three buttons: "Query", "Detail", and "New". Below the menus is a table with the following columns: "I", "Incident #", "Comment", "Agency #", "Date", "Permit #", "Blk/Sec", "Determ'd", "Category", and "Significance". The table contains six rows of data:

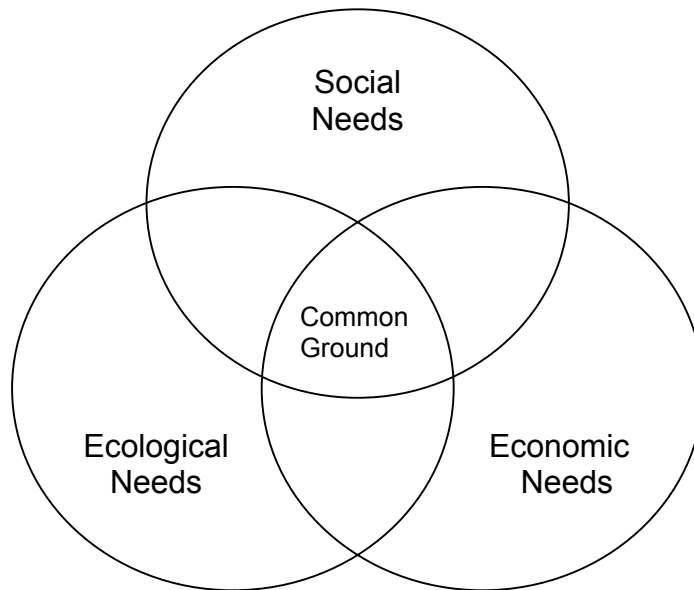
I	Incident #	Comment	Agency #	Date	Permit #	Blk/Sec	Determ'd	Category	Significance
	GP2000-0183	trappers compensation		2000/08/31			0000/00/00	Not Applicable	Medium
	GP2000-0182	trapper compensation		2000/08/22			0000/00/00	Not Applicable	Medium
	GP2000-0181	trapper compensation		2000/10/23			0000/00/00	Not Applicable	Medium
	GP2000-0080	herbicide info session		2000/11/27			0000/00/00	Not Applicable	Low
	GP2000-0072	trapper concerns		2000/09/05			0000/00/00	Not Applicable	Low
	GP2000-0063	Powerline hazard trees		2000/08/14			0000/00/00	Administrative	Medium

Below the table, it says "6 Incidents".

2.3 Conflict Resolution

Resource management is needs driven, involving interplay of three factors; social needs, ecological needs, and economic needs. The interaction of these components can be visualized as indicated in the following schematic (Figure 2). The central portion of the drawing marked as “common ground” indicates where all three factors are in complete agreement. It is Canfor’s goal to meet the needs of the majority of stakeholders to the highest degree possible, but recognizing that full consensus on all issues may not be achievable.

Figure 2: Components of Resource Management (schematic)



When dealing with social needs, one must be prepared to deal with conflict. For the purpose of this document, “conflict” is defined as “opposing viewpoints or opinions of two or more parties involved in the conflict.”

When a conflict arises with a member of the public or another land user, an attempt will be made to resolve the concern through the following sequential process:

- i. If the concern is via a telephone call, attempt to respond verbally. If the other person is not satisfied or requires a written response, then;
- ii. Respond to the person’s concern in writing, or;
- iii. If not resolved, offer to meet in person, at a convenient location, to discuss the concern(s). Offer the possibility of a field trip, if appropriate;
- iv. If further action is required, offer to bring in a third party, depending on type of concern, to help work towards a solution or to conclude the conflict (see below). If appropriate, invite the person or party to an Advisory Committee meeting to voice their concern(s).

It must be recognized that not all conflicts can be resolved. We must be sensitive to the needs of our stakeholders and incorporate concerns where feasible, however, Canfor is still required to meet the economic needs of its business while operating within the bounds of the FMA ground rules and Alberta legislation.

An effective Public Involvement Program, allowing various opportunities for the public to be heard, goes a long way to minimize conflicts.

2.4 Stakeholders

The following pages list the various groups that Canfor considers as its stakeholders. The groups are categorized as industrial, government and public stakeholders. Public stakeholders include all interest groups that are not associated with a government agency or commercial industry. The public category is comprised of organizations, Aboriginal groups, educational institutions and the public at large.

This plan demonstrates how we communicate and receive input from the public stakeholders; the needs of the government and industrial stakeholder are covered through the course of doing business.

Stakeholders are dynamic and will change over time. We will endeavour to keep our list current and updated as needed. Contractor and stakeholder databases are maintained at our Grande Prairie office. These databases serve as our official list of stakeholders.

COMPANY STAKEHOLDERS

INDUSTRIAL

Timber Producers

Quota & FMA Holders

Tolko Industries Ltd.
Weyerhaeuser Canada Ltd.
Diashowa-Murubeni International Ltd.
Grande Alberta Paper Limited
Ainsworth Lumber Company. Ltd.
Alberta Newsprint Company Ltd.

CTP/LTP Holders

numerous small holdings - varies by year

Private Wood Suppliers

numerous small holdings - varies by year

Woodlands Contractors (Complete Listing In Canfor Contractor Database)

Harvesting

D&J Isley & Sons Contracting Ltd.
Neoteric logging Ltd.
Charles Gauchier & Sons
Big D Contracting Ltd.
Dechant Logging Ltd.

Silviculture

3S Contracting Ltd.
DeBolt Contracting Ltd.
Little Smoky Forestry Services Ltd.
Silvaram Reforestation and Management
Apex Reforestation Ltd.
Pelton Reforestation Ltd.
Sturgeon Lake Cree Nation

Road Building/Road Work

Dwayne Larson Enterprises Ltd.
D&J Isley & Sons Contracting Ltd.
Hayes Vegetation Ltd.

Forestry Consultants

Olympic Resource Management (ORM)
Dick Dempster Consulting Ltd.
Geographic Dynamics Corporation (GDC)
Pinewood Forestry Services Ltd.
Integrated Silviculture Services Ltd.
Brad Engel, R.P.F.

Oil And Gas Companies/Pipeline/Mineral /Utility

Numerous companies - complete list at Canfor's office

Trappers

Numerous Trappers - List kept at Canfor office

Outfitters

Numerous Outfitters - List kept at Canfor office

Grazing Lease/License Holders

Smith (Smoky River)
Lowen (Puskwaskau)

GOVERNMENT

Provincial Government

Sustainable Resource Development

Land and Forest Service - Valleyview, Grande Prairie, Peace River and Edmonton
Natural Resources Service - Grande Prairie, Peace River & Edmonton
Public Lands - Edmonton

Other Departments

Workplace Health and Safety
Alberta Transportation & Utilities
Workers Compensation Board

Municipal Government

City of Grande Prairie
County of Grande Prairie No. 1
M.D. of Greenview No. 16
Town of Valleyview

Emergency Measures Organizations

Grande Prairie (G.P.) RCMP
G.P. Ambulance Service
G.P. Fire Department
Grande Cache (G.C) RCMP
G.C. Ambulance
Valleyview RCMP
Valleyview Ambulance
Valleyview Fire Department
Fox Creek RCMP
Alpine Environmental Ltd

PUBLIC

Recreation/Fish & Game Clubs

Valleyview Fish & Game Association
Alberta Trappers Association
Red Willow Riders Snowmobile Association
Waskahigan Trailblazers
Grande Prairie Snowmobile Association
G.P. River Rats

Environmental Groups

Alberta Environmental Network (AEN)
Alberta Wilderness Association (AWA)
South Peace Environmental Association (SPEA)
Western Canada Wilderness Committee (WCWC)
Peace Parkland Naturalists

Organizations (Miscellaneous)

Grande Prairie Chamber of Commerce
Mistahia Health Authority
Grande Prairie. Downtown Business Association
Grande Prairie Regional Tourism Association
Canadian Association of Petroleum Producers
Forest Industries Suppliers Association
Service Clubs (various)
Alberta Forest Products Association (Edmonton)
Local Advisory Committee for Commercial timber permit holders
Foothills Model Forest (Hinton)
Canfor Employees & Families
C.E.P. Communications, Energy and Paperworkers Union, Local 446

Aboriginal Groups

Sturgeon Lake Cree Nation
Aseniwuche Winewak Nation
Zone 6 Metis Nation

- ◆ Grande Prairie local 1990
- ◆ Red Willow Local 1929
- ◆ Aspen Grove local

Educational Institutions

Grande Prairie Regional College
Fairview College
University of Northern B.C. Prince George
University of Alberta
N.A.I.T. - Edmonton
Alberta Vocational College - Grouard
Northern Gateway School Division
Peace-Wapiti School Board No. 33
GP Public School District No. 2357
GP Catholic School District No. 28
Sturgeon Lake School Division

Public at Large

Everybody

3. REFERENCES:

The Sustainable Forest Management Plan for Canfor, Alberta Region, Grande Prairie Operations - June 2000

Interim Forest Management Planning Manual – Guidelines to Plan Development Version: April 1998

Trappers Notification Program – Revised June 23, 2000

Canfor's Forest Principles – June 1999

Public Involvement for FMA planning: Policy and Process March 1990 – Sustainable Resource Development - Land and Forest Service.

APPENDIX 1

CORPORATE POLICIES



Environment Policy

We are committed to responsible stewardship of the environment throughout our operations.

We will:

Comply with or surpass legal requirements.

Comply with other environmental requirements to which the company is committed.

Set and review environmental objectives and targets to prevent pollution and to achieve continual improvement in our environmental performance.

Create opportunities for interested parties to have input to our forest planning activities.

Practice forest management that recognises ecological processes and diversity and supports integrated use of the forest.

Promote environmental awareness throughout our operations.

Conduct regular audits of our environmental management system.

Communicate our environmental performance to our Board of Directors, shareholders, employees, customers and other interested parties.

D.L. Emerson
President and Chief Executive Officer
July 21, 1999

P.J.G. Bentley
Chairman





Canfor's Mission

We will be a highly successful competitor in the global forest products industry, managing with integrity the resources entrusted to our care.

We will be characterized by:

- Employing and developing highly motivated, empowered and committed people who enjoy their work.
 - Consistently satisfying customer needs with quality products and services
 - Enhancing the forest resource, ensuring responsible stewardship of the environment, and protecting human health and safety.
 - Encouraging, recognizing and rewarding excellence in all our endeavours, with an emphasis on innovation and results.
 - Increasing value for shareholders.
-

We will be guided by the core values of integrity, trust, openness and respect for people.

APPENDIX 2
CANFOR CONTACT INFORMATION

Mailing address:

Canadian Forest Products Limited
9401-108 Street
Postal Bag 100
Grande Prairie, Alberta
T8V 3A3

Phone Contacts

Woodlands Main desk Phone: 780-538-7749
Woodlands Main office Fax: 780-538-7800

Sawmill main desk phone: 780-538-7756
Sawmill main office Fax: 780-538-7796

Email

Chris Kreibom Quinn cquinn@mail.canfor.ca

Canfor WEBSITE

www.canfor.ca

Appendix 3

FMAC TERMS OF REFERENCE

CANADIAN FOREST PRODUCTS GRANDE PRAIRIE

**FOREST MANAGEMENT ADVISORY COMMITTEE
For CSA Certification**

TERMS OF REFERENCE

Approved as of
February 23, 2000
Proposed Revision 1: July 13, 2000
Revision Approved: September 20, 2000

A. BACKGROUND

Canadian Forest Products Ltd (Canfor) has had an interest in forestry certification since 1993 and was one of the first participants in the development of the Canadian Standards Association (CSA) Sustainable Forest Management System standard. As early as 1996, the Company conducted a preliminary audit against both the CSA standard and the Forest Stewardship Council (FSC) Principles and Criteria at one of its Prince George, British Columbia operations.

In July 1999 Canfor formally announced its sustainable forestry certification plans. These included a commitment to the International Organization for Standardization (ISO) Environmental Management System standard - ISO 14001- at all forestry operations. In January 2000 Canfor achieved registration under this standard for all the Company's forestry operations (except for those recently acquired in the purchase of all the shares of Northwood Inc.). Canfor also announced that it would seek both CSA and FSC certification, initially on the three area-based tenure operations in BC and Alberta, and selected KPMG as its registrar and certifier.

The program to certify Canfor's area-based forest tenures under the Canadian standard (CAN/CSA-Z809-96) includes the Forest Management Agreement area (FMA 990037) in Grande Prairie, Alberta (Refer to Appendix 1 for detailed map), as well as the Company's Tree Farm Licenses in B.C. on Vancouver Island at Englewood (TFL37) and in northern BC at Chetwynd (TFL48). The total annual timber volume harvested from these tenures is about 2.16 million m³.

In Grande Prairie, the FMA area encompasses a small area north and west of Spirit River, an area north and east of DeBolt and an area south of Grande Prairie and east of the Smoky River. The main neighbouring communities include DeBolt, Valleyview and Grande Prairie. The attached map (Appendix 1) shows the area covered.

In 1995, the Forest Management Advisory Committee (FMAC) was initiated to provide public input into preparing a long-term Detailed Forest Management Plan. This Committee has met monthly since then to identify key issues and concerns to be addressed.

The CSA standard requires a significant level of public participation to assist in developing a Sustainable Forest Management (SFM) plan for certification. In December 1999 Canfor asked the Forest Management Advisory Committee (FMAC) to provide the assistance required in developing an SFM plan for the Grande Prairie FMA area. The terms of reference presented here include the goals, operating rules, timelines and so on for this task, and have been developed and adopted by the FMAC members.

B. Defined Goals

The Forest Management Advisory Committee (FMAC) is to ensure that sustainable forest management “decisions are made as a result of informed, inclusive, and fair consultation with local people who are directly affected by or have an interest in sustainable forest management.”¹ The FMAC will represent the diverse range of interests in the Forest Management Agreement area (FMA area) and, as related to CSA certification:

- 1) Provide input and revise, when necessary, on:
 - a) values, goals, and indicators and objectives;
 - b) design of Sustainable Forest Management (SFM) system, monitoring system, and evaluation process, and
 - c) forecasting used in the development of the SFM Plan.
- 2) Review performance evaluations and recommendations for improvement.
- 3) Develop communication strategy to provide feedback to interested parties about the defined forest area, particularly the results of performance evaluations related to the critical elements of the Canadian Council Forest Ministers (CCFM) Criteria.
- 4) Annually provide advice on mechanisms or methods to improve communication and effective input in the SFM revision process.

In addition, the FMAC will continue to:

- 1) Participate in the development of the Detailed Forest Management Plan and Forest Ecosystem Management Objectives; and
- 2) In partnership with Canfor, will refine and implement the Public Involvement Program.

C. Operating Rules

- 1) Ground rules/ conduct
The FMAC and its members agree to work by the following ground rules:
 - a) All members will be given the opportunity to voice their perspectives;
 - b) All members will listen to the range of perspectives;
 - c) Meetings will be well-structured and facilitated to enable efficient progress; and
 - d) Refreshments and food will be provided for the meetings.
- 2) Meeting agenda and dates
 - a) Meeting agendas:
 - i. will address, where possible, both the needs of the Detailed Forest Management Plan and CSA Certification;
 - ii. input on upcoming meeting agendas will be obtained during each FMAC meeting; and
 - iii. Canfor will finalize the meeting agenda.
 - b) Monthly meetings will be held until:
 - i. the pre-audit phase is complete for CSA certification; and
 - ii. all input is received for Canfor’s Detailed Forest Management Plan and it is submitted to the government for approval.
 - c) Semi-annual meetings will be held:
 - i. after CSA certification has been received and after completion of Canfor’s Detailed Forest Management Plan;
 - ii. for an annual review of the CSA SFM plan (see Section B Goals, bullet number 4);and

¹ Canadian Standards Association. 1996.CAN/CSA-A808-96 A sustainable forest management system: guidance document. Canadian Standards Association, Etobicoke Ont.

- iii. additional meeting(s) may be called as seen necessary.
- d) Meeting dates:
 - i. will be confirmed jointly between Canfor and the FMAC.
- e) Meeting notices:
 - ii. at least two weeks advance notice of meeting dates will be given; and
 - iii. generally, the next meeting date will be confirmed at each FMAC meeting.
- f) Meeting Location:
 - i. meetings will be held at a time and place most suitable to the members of the group, and may vary time or place to satisfy members requirements; and
 - ii. suggested meeting location(s) are:
 - Senior Citizens Hall in DeBolt; and
 - GP Inn in Grande Prairie.
- g) Material, if available, will be provided for review in advance of meetings.
- h) Name:
 - The name is: Canfor's Forest Management Advisory Committee (FMAC).

D. Timelines

The following summarizes key dates for the preparation of the Detailed Forest Management Plan (DFMP) and CSA Certification. In general, joint meetings will be held where appropriate.

- | | |
|--|-----------------|
| 1) Continue monthly meetings | Year 2000 |
| 2) Initiate Public Group Meeting for CSA Certification | January, 2000 |
| 3) Complete pre-audit input | April, 2000 |
| 4) Complete input for Timber Supply Analysis | Mid-2000 |
| 5) Post Audit review update | September, 2000 |
| 6) Submit Detailed Forest Management Plan | April, 2001 |

E. Communication and Information

- 1) Internal to FMAC
 - a) Canfor will ensure meeting minutes are distributed following each meeting; and
 - b) Canfor will provide the FMAC with information as it applies to the function and business of the FMAC.–Confidential business information such as financial or human resource information may be deemed to be sensitive and proprietary and may not be released.
- 2) External
 - a) an annual update will be included in the Annual Report, which is distributed beyond Canfor and the Advisory Committee;
 - b) only authorized members of the advisory committee are to speak on behalf of the FMAC as agreed to by the group and Canfor;
 - c) when communicating with the media, interest groups or the public at large, specific comments will not be attributed to any individual FMAC member without his/her prior consent; and
 - d) if a FMAC member wishes to respond to media, they are to speak on behalf of the interest group they represent only and:
 - i. will be respectful of other members and other interest groups; and
 - ii. will not characterize the suggestions or positions of other members or interest groups in their discussions with the public or media.
- 3) Internal to Canfor
 - a) Recommendations from the FMAC will be reported at Woodlands meetings; and
 - b) Implementation reports and updates will reported every 2 months to the Regional EMS meetings.

F. Meeting Expenses and Logistics

- 1) Meeting Expenses
 - a) On request, members are eligible for \$50 per ½ day meetings for expenses (full day meetings to be covered at \$100);
 - b) Additional travel costs to meetings will be reimbursed at \$0.35/km;
 - c) If required, accommodation for members who must travel in excess of 1 hour for meetings will be covered; and
 - d) Expense forms for the above need to be submitted to Canfor for reimbursement.

G. Roles and Responsibilities

- 1) FMAC Structure:
 - a) Structure is as follows;
 - Grande Prairie Regional Tourism Association (*new member as of Jan 2001*)
 - Alberta Professional Guides and Outfitters Association (*new member*)
 - Alberta Trappers Association
 - Canadian Association of Petroleum Producers (Rio Alto Exploration)
 - City of Grande Prairie (*new member*)
 - Grande Prairie Chamber of Commerce
 - Grande Prairie #1, County of
 - Grande Prairie Regional College
 - M.D. of Greenview No. 16
 - Metis Nation Local 1990 (*Renewed member as of May 2, 2001*)
 - Red Willow Riders Snowmobile Club (*Resigned effective July 3, 2000*)
 - South Peace Environmental Association (*new member as of Nov 1999*)
 - Sturgeon Lake Cree Nation
 - Valleyview Fish and Game Association
 - Valleyview, Town of
 - i. The following groups have been requested to be invited to participate by the current FMAC members;
 - Alberta North Tourism Association (*no response to date*)
 - Federation of Alberta Naturalists (*no response to date*)
 - Alberta Wilderness Association (*no response to date*)
 - South Peace Environmental Association (*accepted – listed as a current member*)
 - Peace Parkland Naturalists (*declined – observed one meeting*)
 - ii. In addition the FMAC members requested that all those who were on the original FMAC invite list be re-invited due to the change in scope of the work:
 - Canadian Communication, Energy and Paperwork's Union (*no response to date*)
 - Grande Prairie Public School Board (*no response to date*)
 - Northern Gateway School Division (*no response to date*)
 - Peace Parkland Naturalist (*declined – observed one meeting*)
 - Peace Wapiti School Board (*no response to date*)
 - South Peace Environmental Association (*accepted – listed as a current member*)

*note: some groups in b) and c) are the same, however only one invitation was issued.

- b) In addition to the above members, advisors from the following will assist the group:
 - Canadian Forest Products Ltd.
 - Land and Forest Service
 - Tolko Industries Ltd.
 - Ainsworth Lumber Company Ltd.

- 2) FMAC Member's Role:
 - a) To provide input as related to the Defined Goals (see above) as related to the DFMP and CSA planning processes;
 - b) The voting members are responsible for consensus reaching and decision making for the FMAC;
 - c) To act as a liaison between FMAC and the organization they are representing;
 - d) To attend meetings regularly;
 - e) Members will be appointed by each of the member organizations;
 - f) Members can be replaced if more than 2 consecutive meetings are missed without a valid reason;
 - g) To replace a member, the member organization will be asked, by either the current member or by the Canfor representative, to reappoint a new member;
 - h) Canfor will confirm appointment;
 - i) Existing members, who no longer represent their original organization, may choose to remain on as members-at-large as this will provide ongoing continuity; and
 - j) Use of Alternates:
 - i. an organization may appoint an alternate to act as an interim replacement for the member; and
 - ii. alternates are also guided by the Terms of Reference.
- 3) Observers Role:
 - a) Public members are welcome to observe the FMAC meetings;
 - b) Observers may participate in discussions or make presentations only with agreement by the group, chair or facilitator; and
 - c) Will not take part in reaching consensus or decision-making of the FMAC.
- 4) Canfor's Role:
 - a) To review and consider the recommendations from the FMAC;
 - b) To make decisions regarding sustainable forest management and certification;
 - c) To report to FMAC on how recommendations were addressed; and
 - d) Will not take part in reaching consensus or decision-making of the FMAC.
- 5) Advisor's Role:
 - a) To actively provide information, participate in discussions and provide support to the FMAC group;
 - b) To clarify technical information for the FMAC group; and
 - c) Will not take part in reaching consensus or decision-making of the FMAC.
- 6) Facilitator's Role:
 - a) To ensure that meetings address agenda topics;
 - b) To ensure that all members have an equitable opportunity to participate in the meeting;
 - c) To provide support in summarizing and clarifying issues, recommendations, etc.; and
 - d) Will not take part in reaching consensus or decision-making of the FMAC.

H. Decision Making and Methodology

- 1) The group agrees to work by consensus defined as:
 - a) Every effort shall be made to achieve consensus;
 - b) Consensus is defined as no member having substantial disagreement on an issue;
 - c) consensus may consist of agreement on a summary of the different perspectives on an issue;
 - d) decisions on specific issues will be considered interim consensus, unless agreed otherwise, until there is consensus on the full set of recommendations;
 - e) All decisions and recommendations will require involvement of at least 50% of the membership i.e. quorum; and
 - f) A member who is absent from a meeting where a decision was made, may request to have the decision reviewed at a future meeting. The chair or facilitator would identify when this would occur.

I. Dispute Resolution Mechanism

- 1) Process Issues:
 - a) The facilitator will resolve process issues.
- 2) Technical Issues:
 - a) The members will work to identify the underlying issues and work towards a solution in a positive friendly environment;
 - b) The members will seek compromise, alternatives and clarification of information needed;
 - c) The members will commit to arriving at the best solution possible; and
 - d) If no consensus solution can be reached, then the outstanding issues will be summarized and forwarded to Canfor for their consideration. Canfor will be informed of the level of support and dissention with the issue.

K. Review of and Revisions to Terms of Reference

The Terms of Reference will be reviewed annually after adoption or earlier based on consensus of the group to review.

The approval and revision of the Terms of Reference requires the approval of the FMAC and Canfor.