

Company Number: SC450652

The Companies Act 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

Forest Industry Safety Accord (FISA) Limited (the "Company")

RULES OF THE COMPANY

Adopted on [6th of May 2017]

RULES OF THE COMPANY

1. INTERPRETATION

- 1.1 Unless expressed to the contrary, words and expressions in these Rules shall have the same meaning as in the Articles of Association of the Company as adopted from time to time by the Company.

2. FISA MEMBERS

- 2.1 FISA Members shall be grouped by the sector of the forest industry in which they primarily operate. These sectors will be determined by the Directors if they deem appropriate on the recommendation of the Steering Group from time to time, and until they determine otherwise, are:

2.1.1 trade associations and representative bodies;

2.1.2 harvesting contractors;

2.1.3 harvesting managers;

2.1.4 forest management contractors;

2.1.5 forest management companies;

2.1.6 hauliers;

2.1.7 state forestry organisations;

2.1.8 landowners and land/estate managers; and

2.1.9 any other supplier or user of goods and/or services to the forest industry

(hereinafter referred to as the "**Sectors**" and individually as a "**Sector**").

- 2.2 Definitions of the Sectors are provided in Appendix A.

- 2.3 The Sectors are aimed at being demonstrative of the composition of the forestry industry. Variations to the Sectors, as listed above, may be identified and altered by the Directors if they deem appropriate on the recommendation of the Steering Group from time to time.

- 2.4 Upon admission to the Company, FISA Members shall select up to two Sectors which they consider most accurately matches their own operational activity and they will be aligned with those Sector(s) for the duration of their membership of the Company (the "**Defined Sectors**").

- 2.5 Fees for FISA Membership (Appendix A) shall be recommended annually by the Steering Group Representatives, in a manner proportionate to the Sector(s) to which the FISA Member, or prospective FISA Member, operates. This will be considered by the Directors and if deemed appropriate the Directors will action.

- 2.6 FISA Members shall notify the Company, as soon as reasonably practicable, in the event that their operational activity within their Defined Sector(s) materially changes and/or they no longer operate within their Defined Sector(s). They shall be required to then confirm their Defined Sector.

- 2.7 FISA Membership is open to all persons and organisations upon payment of a fee by the relevant individual Member or where that Individual member is an employee of a full fee paying Member by their employer. For the avoidance of doubt if a FISA Member opts to have two Defined Sectors they shall be required to pay the relevant fee for each Defined Sector.

- 2.8 Each individual FISA Member's fee details shall be kept confidential by the Company.
- 2.9 Details of the annual fee bandings for each Sector shall be published on the FISA website, and be made available upon written request from the Company's Chief Executive. Fees for companies in Section 9 of Appendix A will be determined by the Directors.
- 2.10 The Company has no specific mechanisms for monitoring the health and safety practices of FISA Members, but FISA Members are expected, as part of their membership, to embrace and promulgate industry good practice in alignment with the stated objectives of the Forest Industry Safety Accord, a copy of which is provided at Appendix B.
- 2.11 The Company will hold open meetings annually in such locations as may be decided upon from time to time, to present safety information and listen to views from FISA Members and the wider forestry sector. Summaries of such meetings may be published on the Company's website along with comments and/or responses from the Company.

3. **STEERING GROUP REPRESENTATIVES**

3.1 There shall be between 15 and 28 voting Steering Group Representatives with places allocated as the Directors may, as they deem appropriate, determine from time to time on the recommendation of the Steering Group and, until the Directors determine otherwise, allocated as follows :

- 3.1.1 trade associations and representative bodies (including FCA, UKFPA, Confor, SLE and a landowner representative body): up to 5 places;
- 3.1.2 harvesting contractors: up to 6 places;
- 3.1.3 harvesting managers: up to 3 places;
- 3.1.4 forest management contractors: up to 3 places;
- 3.1.5 forest management companies: up to 3 places;
- 3.1.6 hauliers: up to 2 places;
- 3.1.7 state forestry organisations: up to 3 places;
- 3.1.8 landowners and estate managers: up to 2 places; and
- 3.1.9 suppliers of goods and/or services to the forest industry: up to 1 place

(please see Appendix A)

3.2 Steering Group Representatives shall be individuals with relevant experience of: i) the forestry industry; ii) industries or sectors associated with forestry; or iii) representing individuals who work, contribute or operate a business within the Sectors.

3.3 It is preferable, but not essential, that Steering Group Representatives hold senior management positions, or directorships in organisations outwith the Company but within forestry or associated sectors to ensure the appropriate level of experience and influence.

3.4 Steering Group Representatives shall be selected in accordance with the following procedure:-

- 3.4.1 the Steering Group Representatives identify a Sector from which it is desired that a new Steering Group Representatives be appointed and will determine the number of positions available;
- 3.4.2 nominations for appointment of Steering Group Representatives will be sought from FISA Members, within that Defined Sector ;

- 3.4.3 the FISA Members in each Defined Sector will then vote (in the event of a vote being required) for their preferred candidate from the individuals nominated in that Defined Sector ;
- 3.4.4 the individual(s) with the most votes shall then be appointed to the Steering Group Representative positions as identified pursuant to Rule 3.4.1 until all such positions are filled. .
- 3.5 Twenty five per cent of the Steering Group Representatives will require to retire from office every year and shall be those who have been Steering Group Representatives longest and in the event of equality of service, those to retire shall be determined by ballot, at a meeting of the Steering Group Committee.
- 3.6 The Steering Group Representatives retiring in each year in accordance with Rule 3.5 may offer themselves for re-election,
- 3.7 The Steering Group Representatives may invite other persons or organisations to attend their meetings as non-voting observers for specific purposes and a specific duration.
- 3.8 The Steering Group Representatives may co-opt another person or organisation to fill vacant positions. Co-opted parties to fill that position will have the right to vote.
4. **ALTERNATE STEERING GROUP REPRESENTATIVES**
- 4.1 Steering Group Representatives (the "**Appointer**") may appoint as an alternative any other Steering Group Representatives, or any other person approved by resolution of the Steering Group Representatives, to attend and vote at Steering Group Representatives' meetings (but not to participate in written resolutions) (the "**Alternate**").
- 4.2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Steering Group Representatives.
- 4.3 The notice must:-
- 4.3.1 identify the proposed Alternate, and
- 4.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that the proposed Alternate is willing to act as the alternate of the Steering Group Representative giving the notice.
- 4.4 An Alternate has the same rights, in relation to any Steering Group Representatives' meeting as the Alternate's Appointor.
- 4.5 An Alternate's appointment as an Alternate terminates:-
- 4.5.1 when his Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 4.5.2 on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor would result in the termination of the Appointor's Steering Group Representation;
- 4.5.3 on the death of his Appointor;
- 4.5.4 when his Appointor's appointment as a Steering Group Representative terminates; or
- 4.5.5 when the Steering Group Representatives agree by ordinary resolution to revoke its approval in writing to the Alternate.

5. **CHAIRMAN AND VICE CHAIRMAN**

5.1 The main role of the Chairman is to:

- 5.1.1 promote the Company at all levels of industry and government;
- 5.1.2 agree strategic direction with Steering Group Representatives and ensure clarity for the Company's organisation and Objects;
- 5.1.3 chair Steering Group Representatives meetings and build consensus around the key directions and decisions;
- 5.1.4 work closely with the Company Chief Executive; and
- 5.1.5 ensure the Company operates in accordance with its Articles of Association.

5.2 A Vice Chairman will support and deputise, when required, for the Chairman.

5.3 Subject to rule 5.4, if an election for Chairman is to be undertaken the following process shall be followed:

- 5.3.1 candidates who wish to stand for election as Chairman must be Steering Group Representatives;
- 5.3.2 each Steering Group Representative is to rank the candidates standing for Chairman in order of preference using a points system with the highest points being awarded to the preferred candidate of each Steering Group Representative;
- 5.3.3 the candidate with the most points at the end of the election will be declared the Chairman;
- 5.3.4 in the event there is only one candidate for Chairman and the majority of the Steering Group Representatives vote against this candidate the current Chairman will remain as Chairman until alternative candidates are put forward and new election are held.

5.4 The process set out above may also be used to elect a Vice Chairman where required but it is the intention that on retirement of the Chairman the Vice Chairman will succeed to the role of Chairman.

5.5 For the avoidance of doubt, in the event that the Vice Chairman fails to accede to the role of Chairman for any reason the process of election set out in rules 5.3.1 and 5.3.2 is to be followed for the appointment of Chairman and Vice Chairman.

6. **CHIEF EXECUTIVE (the "CEO")**

6.1 The main role of the CEO and the Directors is to lead and deliver the Objects of the Company supported by the Steering Group Representatives.

6.2 The CEO and Directors shall work together with the Steering Group Representatives to manage the Company in accordance with good practice and good corporate governance and ensure the Company is compliant with all relevant legislation.

6.3 The CEO shall be appointed through open competition overseen by a sub-committee convened for this purpose agreed by the Steering Group Representatives on engagement terms agreed with the Steering Group Representatives.

6.4 The CEO position may be filled on an employed or self-employed basis.

6.5 The CEO will maintain a forward job plan and make this available to Steering Group Representatives upon request.

- 6.6 The performance of the CEO shall be subject to an annual appraisal conducted by at least two of the Company's Directors or two Steering Group Representatives. The appraisal will take account of the views and opinions of the Steering Group Representatives and their experience of interacting with the CEO. The results of the Appraisal will be reported to the Steering Group Representatives by the Chairman.
- 6.7 The service agreement or contract of employment of the CEO will contain clear performance expectations and formal termination criteria in the event of performance being below expectations.
7. **SECRETARY**
- 7.1 The Directors may appoint a Secretary to the Company for such period, remuneration and conditions as they consider fit; and any Secretary so appointed by the Directors may be removed by them.
8. **WORKING GROUPS**
- 8.1 The Steering Group Representatives may convene working groups with an appointed leader to carry out certain tasks, objectives or research and report back on their findings to the Steering Group Representatives, who shall be responsible for determining how the outputs of the working groups will be utilised.
- 8.2 Working group leaders need not necessarily be FISA Members and such leaders should be chosen based on their specialist knowledge, skills and / or availability if this brings an advantage to the task being conducted.
9. **COMPANY RESOURCES**
- 9.1 Funding for the Company shall be generated by the fees from FISA membership. This may be supplemented by third party funding and grants where available.
- 9.2 The Company may seek sponsorship opportunities, but only where this is consistent with the Company's Objects.
- 9.3 The Directors will approve expenses of the Chairman, Vice Chairman and CEO over a threshold agreed from time to time by the Directors and Steering Group Representatives and in compliance with the Articles of Association provided always that the person to whom the expenses relate shall not be entitled to participate in the approval process.
- 9.4 The CEO shall oversee and have overall responsibility for the financial management and recommend good practice within the Company. The CEO will provide the Directors and Steering Group Representatives with monthly operational review and management accounts. A finance report will be provided by the CEO at each Steering Group Representatives' meeting.
- 9.5 The CEO will provide the Directors annually with a proposed budget for the subsequent year (the "**Budget**"). Once agreed by the Directors, the Chairman will recommend the Budget to the Steering Group Representatives, including any proposed increase in membership fees. Approval of the Budget for each calendar year is by Ordinary Resolution of the Steering Group Representatives.
10. **FISA PLANNING AND ACTIVITY**
- 10.1 The Company will maintain a Strategic Plan (normally covering a 3 – 5 year period) to define priorities and set out how the Company will operate to deliver on its Objects in the medium term.
- 10.2 The Company will consult FISA Members and the wider forestry sector on its Strategic Plan and publish an annual progress report.

APPENDIX A

Definition of Sectors referred to in Rules 2.2.1 to 2.2.9 set out below:

1. Trade Association: can be a legally constituted membership organisation representing a cohort of specialist interests. Examples are Confor, Countryside Landowners Association, Forestry Contractors Association, Scottish Land & Estates, UKFPA.
2. Harvesting Contractors: can be a sole trader, partnership or company which carries out on site timber harvesting involving the felling of trees and extraction of the produce to the forest roadside. Examples are Brendan Burns & Burns Ltd, Dick Bros Ltd, Elliot Henderson Ltd, Jim Wilmer & Sons Timber Harvesting Ltd.
3. Harvesting Managers: can be a sole trader, partnership or company which organises and manages the harvesting and marketing of forest produce from stump through to delivery to the sawmill or processor gate. Often a harvesting manager will either be engaged on behalf of a land owner or may have purchased standing timber in its own right. Such businesses engage the harvesting to Harvesting Contractors. Examples are: Egger Forestry Ltd, Euroforest Ltd, James Jones & Son Ltd, Iggesund Forestry Ltd, Norbord Forestry.
4. Forest Management Contractors: can be a sole trader, partnership or company which specialises in offering silvicultural contract services such as ground preparation, drainage, tree planting, vegetation control (manual and spraying), road construction and any other forestry contracting operations pre harvesting of the trees. Examples are: a wide range of smaller contractors as well as larger ones such as Laurent Bienfait Woodland Services Ltd.
5. Forest Management Companies: can be a sole trader, partnership or company which offers woodland owners multi-disciplinary forest management services encompassing (but not necessarily in combination) forest asset management, organisation and supervision of all forms of silvicultural and timber harvesting and marketing operations, valuations, mapping and other forest management support services. Such businesses engage the Forest Management and Harvesting Contractors. Examples are: Egger Forestry Ltd, Fountains Forestry, Scottish Woodlands Ltd, Tilhill Forestry.
6. Hauliers: can be a sole trader, partnership or company which engages in the process of uplifting forest produce, normally roundwood logs, at the forest roadside and transporting the cargo via forest and public roads to sawmills and other wood processors on road legal trucks. Examples are: A & F Grant Ltd, A W Jenkinson Forest Products Ltd, Ferguson Transport (Spean Bridge) Ltd, John Miller Transport Ltd, James Jones & Sons Ltd.
7. State Forestry Organisations: government bodies. Examples are Forest Enterprise Scotland, Forestry Commission England and Natural Resources Wales.
8. Landowners and Estate Managers: can be farmers, traditional multi land use estates, utility companies, local authorities, trusts and land agents. Such businesses own land or manage land which require woodland management and harvesting services sometimes (but not exclusively) (using their own professional staff in the process. Examples are: Buccleuch Woodlands Ltd, Seafield & Strathspey Estates, CKD Galbraith.
9. Any other supplier of goods and / or services to the forest industry: can be utility companies, vegetation clearance companies etc. Examples are: SSE plc.

APPENDIX B

Objects of the Forest Industry Safety Accord

COMPANY'S OBJECTS

The object and purpose for which the Company is established is to implement the UK Forest Safety Accord for the benefit of the forestry industry as a whole by carrying on the following activities throughout the United Kingdom and the Republic of Ireland:

- setting and promoting health and safety good practice standards for the forestry industry;
- developing and providing health and safety guidance for adoption across the various sectors of the forestry industry;
- raising awareness and increasing the profile of health and safety in the forestry industry and promoting behavioural change within the various sectors; and
- offering information, events and technical resources to promote the raising of health and safety standards in the forest industry (the "**Objects**");
- The Company's Objects relate only to In-Forest Operations and the associated supply chain (eg. timber haulage) and do not extend to operations within Saw Mills and Processors.