



BRIEFING NOTE: Board Nominations Process and Profile—SFI Inc. Board of Directors Nominations Committee Procedures December 10/07; Revised August 2011

Issue:

SFI Inc. does not currently have a clearly defined Board member profile or search and nominations process to ensure open and expiring Board seats are promptly filled. During their September 23rd meeting the Board requested that SFI Inc. staff work with the Resources Committee to develop a Board profile and nominations process. Chris Davidson of IP volunteered to work with staff and has developed the draft that follows for review and discussion.

Request:

Board review and comment.

For Discussion:

DRAFT SFI Inc. Board of Directors Nominations Process and Profile Committee Procedures

SFI Inc. is an independent 501(c)(3) non-profit charitable organization, and is solely responsible for maintaining, overseeing and improving the internationally recognized Sustainable Forestry Initiative (SFI) program. SFI Inc. is governed by a three-chamber board of directors representing environmental, social and economic sectors equally.

SFI is a fully independent, registered non-profit, with a governance structure with equal representation across three chambers: social, economic and environmental.

SFI Board of Directors

The Board of Directors consists of eighteen members each of whom serves three-year terms and until their successors are elected. Approximately one third of the Directors shall be elected annually and serve staggered terms according to policies and procedures adopted by the Board. Unless approved by unanimous consent, a Director may not serve more than two consecutive full terms and will not be eligible for re-election until one year has elapsed since the Director's last term.

Composition of Board of Directors

The Board of Directors shall strive to represent a diversity of stakeholder groups. It is desirable that Directors have knowledge of sustainable forest management.

- Six Directors shall be drawn from the forest, paper and wood products industry or other for-profit forest ownership or management entities. These Directors will comprise the Economic Chamber of the Board.
- Six Directors shall be drawn from nonprofit environmental /conservation organizations. These Directors will comprise the Environmental Chamber of the Board.
- Six Directors shall be drawn from other stakeholder groups including community or social interests. These Directors will comprise the Social Chamber of the Board.

The six Directors representing the Economic Sector shall be chosen from among companies participating in the Sustainable Forestry Initiative program. In the event that any Director is no longer associated with the company / organization he/she represented at the time of election to the Board or if that company / organization is acquired or goes out of business, that Board seat shall be considered vacated.

Nominations Committee

Each year the Chairman shall establish a three-person Nominations Committee to prepare a list of nominations for election to fill Board seats as terms expire or as vacancies need to be filled. The Chairman shall choose one member of the Nominations Committee from each of the three Chambers that comprise the Board. The Nominations Committee will also be supported by the Resources Committee.

The Nominations Committee is:

- Responsible for ensuring integrity in the nominations process.
- Responsible for soliciting nominations for open positions.
- Responsible for maintaining a list of eligible candidates for nomination to ensure continuity in the board membership such that any openings are quickly filled.
- Supported by the Resources Committee who will ensure that an acceptable pool of candidates are identified one year in advance of any expiring terms and an acceptable pool of candidates identified at all times in the event of an unexpected Board vacancy.

Selection and Nomination Process

Whenever a vacancy occurs on the Board of Directors, the Nominations Committee is responsible for identifying one or more candidates from the previously identified pool to fill that vacancy, investigating each candidate, evaluating his or her suitability for service on the Board and recommending a candidate to the full Board.

The Nominations Committee is authorized to use any methods it deems appropriate for identifying candidates for Board membership, including recommendations from current Board members, the Resources Committee and SFI Inc. staff. The Nominations Committee may also,

at its discretion, solicit input on potential candidates from SFI program participants and other stakeholders.

The Nominations Committee is also authorized to engage in whatever investigation and evaluation processes it deems appropriate, including a thorough review of the candidate's background, characteristics, qualities and qualifications and personal interviews with the committee as a whole, one or more members of the committee or one or more other Board members.

In formulating its recommendations, the Nominations Committee will consider not only the findings and conclusions of its investigation and evaluation process, but also the current composition of the Board; the attributes and qualifications of serving Board members; additional attributes, capabilities or qualifications that should be represented on the Board; and whether the candidate could provide those additional attributes, capabilities or qualifications. The committee will not recommend any candidate unless that candidate has indicated a willingness to serve as a director and has agreed to comply, if elected, with the expectations and requirements of Board service.

Criteria for Nominations

The Board of Directors believes that those individuals nominated by the Nominations Committee to be a director should have demonstrated significant achievements in business, education or public service; should possess the requisite intelligence, education and experience to make a significant contribution to the Board and should have the highest ethical standards, a strong sense of professionalism and intense dedication to the promotion of sustainable forest management and certification. The following attributes or qualifications will be considered by the Nominations Committee in evaluating a person's candidacy for membership on the Board:

- **Management and leadership experience** - Relevant experience should include, at a minimum, one of the following: a past or current leadership role in a major public company or recognized privately held entity; a past or current leadership role at a prominent educational institution or senior faculty position in an area of study important or relevant to SFI Inc.; a past elected or appointed senior government position; or a past or current senior managerial or advisory position with a highly visible nonprofit organization. Consideration will also be given to demonstrated experience in the natural resources or conservation business environment
- **Skilled and diverse background** - All candidates must possess the aptitude or experience to understand fully the legal responsibilities of a director and the governance processes of a non-profit organization, as well as the personal qualities to be able to make a substantial active contribution to Board deliberations, including intelligence and wisdom, self-assuredness, interpersonal and communication skills, courage and inquisitiveness. Consideration will be given to assuring that the Board, as a whole, adequately reflects the diversity of the constituencies of SFI Inc.
- **Integrity and professionalism** - The following are essential characteristics for each Board candidate: highest standards of moral and ethical character and personal integrity; independence, objectivity and an intense dedication to serve as a representative of SFI Inc.

Further, each candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of Board membership.

Review of the Nominees by the Board of Directors

Nominees for open positions will be reviewed by the nominations committee for the purpose of ensuring that the candidates meet the qualifications.

The nominations committee will develop candidate forms/dossiers for each nominee which will then be presented to the Board of Directors for evaluation.

The Board will evaluate the candidates nominated and election to the board will be determined by voting.

Prepared by: Chris Davidson, IP; and Rick Cantrell, SFI Inc.

Attachments: none Revised by Rick Cantrell, SFI Inc. August 22nd, 2011.