



Company Dispute Resolution Protocols

PUBLIC SUMMARY

Introduction

The Soekhoe FSC complaints¹ and dispute resolution system provides a means by which persons may resolve complaints and disputes that they may have with the Company and their forest operations. Forest management requires balancing social, economic and environmental values. Inevitably there are differences of opinion and disagreements as to whether forest managers have got the balance right. If there is a complaint the Company Manager wants to know about it and it is important to the Company that the system is fair and transparent to everyone affected by and involved in their work.

The complaints and dispute resolution system is designed for use by Company staff or primary stakeholders to help them make their concerns known and to find the best way of resolving any complaints and disputes.

The Protocol also provides a confidential and effective mechanism for reporting cases of sexual harassment and discrimination based on gender, marital status, parenthood or sexual orientation.

The Protocols have taken as their point of departure the FSC Interim Dispute Resolution Protocol and draw also in its concept from FSC-PRO-01-008 (V2-0) EN Processing Complaints in the FSC® Certification Scheme.

Summary of Procedure

The complaints and dispute resolution system has four phases: a “prior participation” phase, an informal phase, a formal phase and an appeal phase (see below).

The first stage deals with complaints, the next three with disputes proper. Prior to invoking the dispute phases of the Protocol persons must have sought to resolve their complaint directly with the specific person or persons whose action or decision they challenge. This is described as a “prior participation” requirement.

The Company believes that, if possible, concerns should first be taken to the people who can resolve the issue directly. The Company suggests the first step for resolving a complaint should be to talk to the Company Manager, Company Member or Resource Manager, as appropriate, to explain the concern and listen to their response.

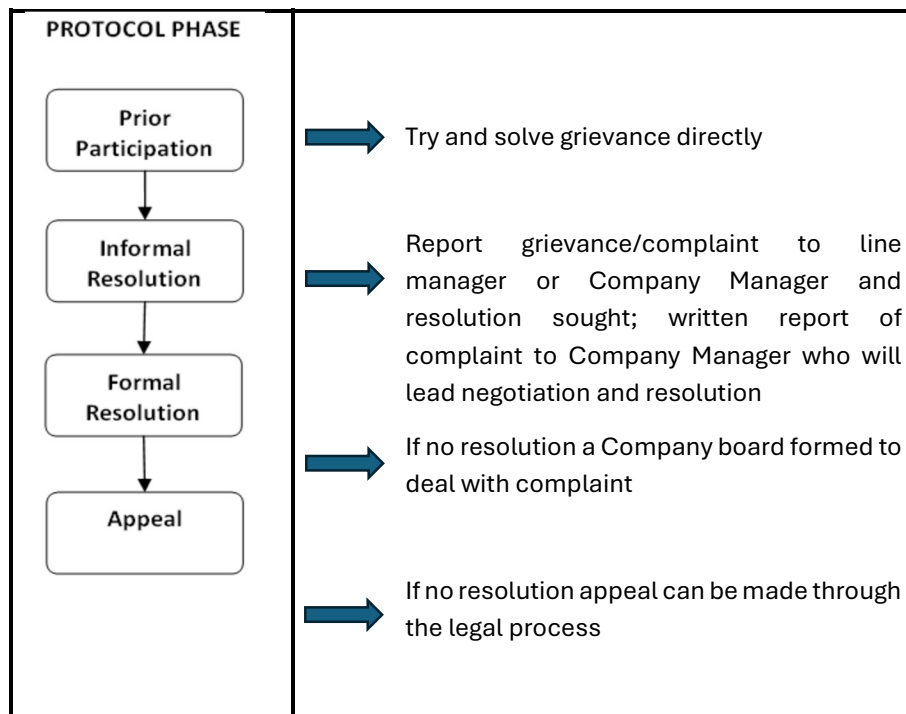
The complainant and relevant personnel will try to come to a solution; this is often the fastest and easiest way to solve a problem.

Complaints become disputes when they cannot be resolved by talking with the person or organization concerned. If after talking to the person or group directly concerned, the complainant feels that the complaint has not been addressed satisfactorily, the second phase of the system shall be invoked. Dispute resolution is expensive, detailed and time-consuming; the Company Manager therefore encourages and facilitates all efforts to resolve complaints before they become disputes.

Before filing a formal dispute, the complainant should write a short, simple letter addressed to the Company Manager. The letter should inter alia describe the dispute, those involved in the activities leading to the dispute, and suggest a solution.

The Company Manager will try to resolve the dispute first through a more informal process which involves a Company-directed attempt to negotiate a resolution of the dispute. The Company Manager will review the letter and shall work with the involved parties to try to resolve the case within 30 days.

¹ “complaint” also covers what can be termed “grievance” which can be viewed as somewhat less serious but nevertheless should be addressed



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If after this process the negotiations do not achieve a consensus, formal dispute resolution begins. The Company's formal dispute resolution follows detailed steps and timelines. Before proceeding with the formal stage, the complainant must agree to cover a proportion of the costs associated with the formal resolution process.

A key element of the formal stage is the formation of a Company Dispute Review Board (DRB) which will comprise the senior Company Managers, representatives of Company Members and relevant regulatory agencies and, as necessary, an impartial facilitator. During the formal stage of the proceedings, the parties to the dispute present written evidence and argument to the DRB. The reviewing body has discretion to conduct oral hearings and site visits. However, to minimize expenses and delay, the Protocol contemplates that the principal tool for resolving the dispute shall be timely, substantial, written submissions. The system will impose specific deadlines, with consequences for lack of compliance, on both the parties to the dispute.

Complainants may appeal any decision of the DRB by seeking a timely review of the challenged decision or action. Persons who wish to use the system to appeal must invoke it promptly after the decision or action is taken. Specific provisions detail the time by which the system must be invoked. Disputes that are filed beyond the time limits shall not be considered. The procedure on appeal is similar to the procedure for initial disputes,



with an even greater emphasis on written submissions, though the DRB will convene under different chair and, if deemed necessary, different members.

The system also allocates costs among the parties; imposes a duty of reasonable cooperation upon the parties in the resolution of the dispute; and provides for disqualification of members of the DRB. It authorizes the imposition of specified sanctions for failure to comply with cost reimbursement obligations; for breaches of the duty of reasonable cooperation; and for failure of a DRB member to recuse him or herself in light of a known conflict of interest.

The DRB must issue a decision within a specified time, or it shall be deemed to have rejected the appeal. In reviewing a prior written DRB decision taken under the system, the DRB may only overturn the decision for a clear error of judgment or a clear and substantial abuse of discretion. The system does not provide for an appeal of any final decision. Thereafter any continuing dispute can become the subject of national legal process.