



**DAISHOWA-MARUBENI
INTERNATIONAL LTD.**
Peace River Pulp Division

**Public Advisory Committee
Terms of Reference**

January 31, 2012

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1: Public Advisory Process and the Terms of Reference

The terms of reference document has been written to guide the public advisory committee (PAC) and Peace River Pulp Division (PRPD) in their public advisory process. The public advisory committee will be the primary venue for members of the general public to provide input into forest management planning and operations conducted by PRPD within the Defined Forest Area (DFA).

1.1. History of the Public Advisory Process at PRPD

The first organized public advisory process began in 1989 as part of Daishowa Canada's Preliminary Forest Management Plan. *The Public Advisory Committee Regarding Daishowa (Peace River Operations)* operated in a consultative role on all aspects of the pulp mill operations. It was set up initially to provide local communities some input opportunities into decisions regarding the construction and establishment of the pulp mill operations. It was structured so as to create sub-committees on specific topics when deemed necessary. The main body served as the public advisory committee for the 1991 Preliminary Forest Management Plan and the 1992 Detailed Forest Management Plan.

In 1997, *The Public Advisory Committee Regarding Daishowa* formed a sub-committee called *Eco-Pac* to advise PRPD on the 1999 Detailed Forest Management Plan. *Eco-Pac* was a loosely organized group of private citizens and Municipal Government representatives that were formed to explore an alternative way of conducting a public input process. The *Eco-Pac* and the company set out to work together without clear terms of reference. The intent was to figure out what worked by doing it and form the organization through trial and error. In the end, the 1999 DFMP was submitted with varying degrees of satisfaction amongst the participants.

By 2004, both *Eco-Pac* and *The Public Advisory Committee Regarding Daishowa* were disbanded. In 2005, PRPD began work to achieve independent 3rd party certification of its sustainable forestry practices. As part of the certification efforts and in order to comply with new Alberta legislation, PRPD decided to reinstate a public advisory body.

In 2006, PRPD sought public participants through newspaper ads and direct mailings to local individuals and organizations. Between 2006 and 2011, the group met on 34 occasions with a further 3 in-camera meetings held separately by the Public

members. The input from the group aided DMI in achieving CSA certification, completing the 2007 DFMP, and preparing two DFMPs for 2011.

As of December, 2011 The exhaustive work of preparing 3 DFMPs is nearing completion. The role of PAC is about to change to a period of monitoring the implementation of the DFMPs. The group has changed and its role is changing. This new version of the Terms of Reference will formalize the construct and functions of the public advisory group moving forward.

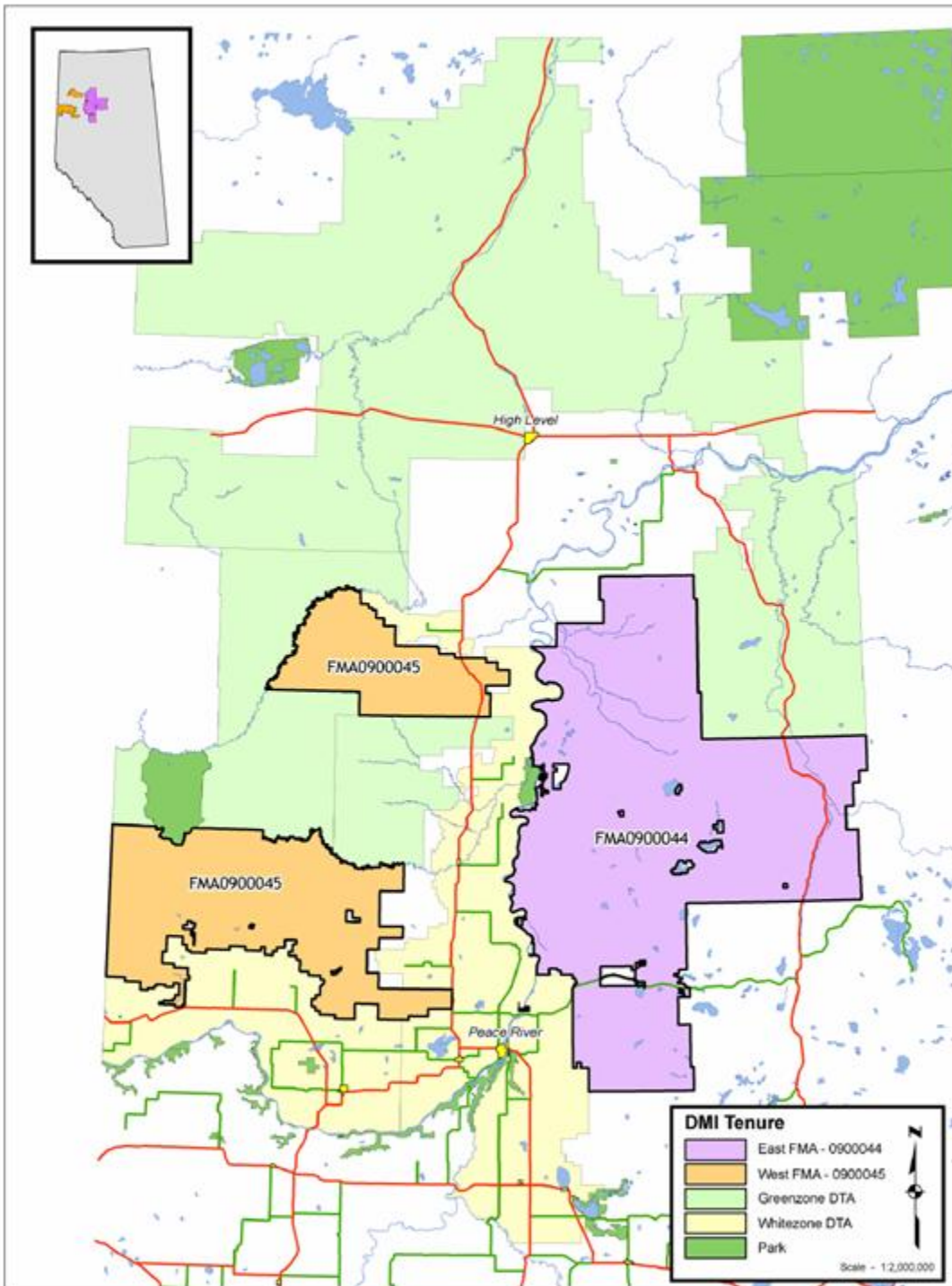
2: The Role of Public Consultation in Forest Certification

PRPD achieved the Canadian Standards Association's Sustainable Forest Management Certification (known as CSA Z809-02) in August 2008. A fundamental cornerstone of this certification scheme is public participation. The province of Alberta has reinforced this principle by basing its Forest Management Planning Standard on CSA Z809. PRPD has a clearly defined need for, and commitment to, meaningful public participation in the development of forest management plans. PRPD will establish and operate a public consultation process that fully complies with CSA Z809 requirements.

The public advisory committee will work on the final preparations of the 2009-2018 DFMPs. The 2009-2018 DFMPs will be the basis of the Sustainable Forest Management Plan (SFM). The SFM is a document that is separate from the DFMP, required for Z809 certification. Thus, the same body of work overseen by PAC will serve dual purposes for PRPD.

The PRPD Forest Management Agreement Areas (FMAs) cover approximately 2.5 million hectares in Northwestern Alberta. The CSA Z809 certification will apply to both of the FMA areas. Thus the "Defined Forest Area" (DFA) is understood to mean the FMAs until such time as the certification scope is amended. The following map shows the location of the PRPD defined forest area (DFA).

If PRPD changes the forest area considered in the plan during the course of plan preparation, this terms of reference will be immediately updated appropriately.



3: PRPD Public / Aboriginal Consultation Plan

- a) PRPD has a multi-faceted approach to total public consultation. Consultation will consist of a combination of communication efforts:
- b) Public Advisory Committee: Primary mechanism for municipal government, nongovernmental organizations, and general public members to participate
- c) Aboriginal Consultation: Separate, independent consultations with each Aboriginal Community.
- d) Independent Consultation: Separate, independent consultations with individuals unable or unwilling to commit to PAC membership.
- e) Educational offerings will be made available to members of all three categories of consultation. From time to time, educational opportunities may be shared with the larger public.
- f) The primary intent of a multi-faceted approach is to gather the maximum meaningful input into the DFMP. As consultation progresses, the input from each category will be shared with other categories if there is a procedural benefit to doing so. Confidential or sensitive information (if it exists and has been identified as such) will remain confidential.
- g) As work progresses and time permits, PRPD will demonstrate progress on requested VOITs. If conflicts between VOITs exist, the members of the three categories will be notified and solutions sought. The approach will thus be iterative in nature.
- h) The input of all participants will be collated at the end of the process. All individuals that provided input will be asked to attend workshop(s) as required to agree by consensus, on trade-offs in the plan.
- i) The final positions of the members of the three categories will be asked for in writing. The final DFMP text documents will be submitted to government with comment from the three category's members.

4: Timelines

The timelines have been selected to provide ample time for the committee to become actively engaged in the 2009-2018 DFMP preparation. The public advisory committee will complete their comments by February 15, 2012. The 2009-2018 DFMPs will be submitted by January 2012, approved by May 1, 2011 and implemented in 2012.

Once the 2009-2018 plans are submitted, the public advisory committee may choose to assist in developing and implementing the monitoring and reporting programs that will ensure the DFMP is implemented as planned. Specific discussions concerning monitoring and reporting functions will be held before the end of 2012. PRPD will target 4 meeting dates per year until amended otherwise. PRPD will target formal educational opportunities and/or field tours every second meeting. The interim meetings will allow the PAC to discuss business issues and decisions. The educational, informative, field tour meetings may be extended to the general Public or other stakeholder groups. The meetings may be combined with other consultation purposes such as annual operating plan consultation. The meeting schedule will be reviewed at each meeting for changes and additions.

5: Defined Goals

The aim of the public advisory process is to create a climate where the individuals, communities and stakeholder groups locally affected by PRPD's operations within the defined forest area can exchange information, articulate interests and have the potential to influence decisions on the outcomes of forest management. The purpose of this committee is to work with PRPD in a collaborative partnership to develop and refine the 2010 Detailed Forest Management Plan. The process will not end once input is collected by PRPD. The Public Advisory Committee will continue to interact with PRPD by assisting in design and delivery of monitoring and reporting programs associated with the DFMP.

Other goals for this partnership include:

- Educating all participants in ecological and forest management concepts.
- Identify values, objectives, indicators and targets (VOITS) for inclusion in the future DFMPs.
- Assist PRPD in the implementation, evaluation and monitoring of VOITS after they are established.
- Communicate effectively with members of the public advisory group as well as the broader public.
- Integrate the VOITs of the Public Advisory Committee with the VOITs from the separate Aboriginal Consultation Process in the final 2009-2018 DFMPs
- Discuss and resolve any issues relevant to sustainable forest management in the DFA.

6: Communication and Information

PRPD will provide all logistical and financial support as required for the public advisory committee meetings. Specifically, this will include facilitation, administrative support and facilities that will be required by the committee. As well PRPD will provide external speakers and/or resources to the committee when it is deemed by the committee and PRPD to be necessary.

6.1 Internal Communications

- a) PRPD will organize and supervise a third party organization to provide administrative support. The administrative support will be responsible for distributing agendas and meeting minutes to PRPD and PAC members.
- b) PRPD will provide information to the public advisory group as topics for discussion arise. Some information may be designated as confidential by PRPD and a request for confidentiality will be made to the group.
- c) PRPD will provide access to all pertinent information related to the DFA (Defined Forest Area) and SFMP (Sustainable Forest Management Plan).
- d) Recommendations made by the public advisory committee will be presented to the PRPD strategic planning group in a formal written submission. PRPD will then respond to these recommendations in writing one week prior to the next meeting and table the issue for discussion at the next meeting.
- e) The PRPD website will be the primary delivery and storage method for documents, maps and educational materials required by PAC members. The website will be complimented by the PRPD supplied PAC binders. Materials handed out at meetings will be made available for inclusion into PAC binders.
- f) Minutes will be posted on the website and will be password protected to protect the members' right to privacy.
- g) PRPD will arrange for paper copies of pertinent materials to be distributed to those PAC members that choose not to use electronic documents.

6.2 External Communications

- a) An update on the public advisory process will be published in PRPD annual reports and may be reproduced on company web sites.
- b) PRPD will be providing information on the progress of the public advisory process to the wider public.
- c) The committee will elect a spokesperson who will speak on behalf of the committee to outside sources.
- d) Only authorized members of the advisory committee (spokesperson) are able to speak on behalf of the group as agreed to by the committee.
- e) If individuals from the stakeholder groups wish to respond to the media or other outside organizations, then their comments only represent the organization that they belong to, unless these comments have been approved by the PAC committee.

7: Meeting Expenses and Logistics

PRPD recognizes the value of one's personal time and sacrifice that will be required to be involved in the public advisory process. Therefore the company is prepared to provide the following reimbursement for travel and a stipend for the time spent on public advisory affairs:

In the extraordinary event that overnight accommodations are required (special events, conferences, severe weather), PRPD will approve expenditure and reimburse actual expense.

Expense forms and receipts will need to be submitted to PRPD for all expenses.

PRPD will pay a stipend of \$50 per meeting to those members at large that are not being paid or reimbursed by another organization to attend. PRPD will make the payment in the form of a charitable contribution to a non profit organization nominated by the member at large. Payments will be made quarterly. This recognizes that this process may be taking away volunteer time from some members. In this way, the member can continue to support their chosen organization and at the same time participate in the PAC process. A letter from PRPD recognizing the members' contribution will accompany the payment to the non profit organization.

PRPD will reimburse members traveling from outside the immediate Town of Peace River area a mileage rate for each meeting attended. The rate will be equal to that paid by DMI to its employees when traveling on company business. The reimbursement will cover the actual round trip mileage for members to travel from home to the appointed meeting site. Payments will be made quarterly.

8: Roles and Responsibilities

8.1 Structure of the Public Advisory Committee

Participation in the Public Advisory Committee (PAC) is open to any individual or organization with an interest in the direct and/or indirect benefits derived from the Defined Forest Area. Any person with an interest in participating within the bounds of the Term of Reference may join.

PRPD will from time to time, advertise for new participants. DMI will provide staff support to help new members review PAC business to date.

Members will be categorized in the following categories:

8.1.1 Voting Members:

- a) Member at large — a private citizen representing his/her own views and values
- b) Municipal Government Representative — Individual representing the views and values of a municipal government
- c) Non Governmental Organization Representative — Individual representing the views and values of a defined organization

8.1.2 Non-Voting Members

- d) Forest Industry — Representatives from tenured forest industries directly affected by the forest management planning reviewed by the PAC. This is the group of companies that the PAC is advising.
- e) Advisor Resources — advisory role to industry and PAC
- f) Observers — Observers may be permitted to attend meetings on the invitation of the PAC. Individuals may speak to the meeting if invited to do so.

The membership list will be maintained separate from this Terms of Reference. Any PAC member may request a copy of the membership at any meeting. Any Pac member may forward a motion to edit the list as required by changes in membership.

8.2 Public Advisory Members Roles and Responsibilities

- a) To identify values that are important to the member or organization that the member represents, and to ensure that these values are addressed in the development of values, objectives, indicators and targets (VOITS).
- b) Assist PRPD to develop measurable criteria for each VOIT.
- c) Evaluate alternative management scenarios put forward by PRPD.
- d) Select the preferred management scenario that balances the VOITS of all stakeholders.
- e) Participate in the implementation, evaluation and monitoring phase.
- f) To act as a liaison between the organization that they represent and the public advisory committee.
- g) To work with other members to reach a consensus on issues that comes before the group.
- h) To attend meetings on a regular basis.
- i) To take advantage of educational opportunities presented throughout the process.
- j) To provide feedback on the management planning process.
- k) To be fair and honest with all of the other participants. Everyone deserves the right to speak and as well everyone on the public advisory group has the responsibility to be a good listener.
 - l) Everyone participating in this process will be treated with respect.
- l) To follow all Provincial and Federal regulations that pertains to air, water, soil and forests. The committee does not have the power to override these statutes (Paragraph 2; page 12 CSA Z809-02).

- m) To elect a spokesperson to represent the group. The spokesperson will work closely with the facilitator to make the process successful. The spokesperson will be elected annually.
- n) Reviewing materials before meetings will keep the meetings short and effective.

8.3 Membership Considerations

- a) If any individual member misses three consecutive meetings then their membership lapses. If this happens with an organizational member then the organization will be asked to appoint another member. This request will be directed to the organization by the facilitator and confirmed with the other public advisory members. After the member has missed two meetings, the facilitator will advise the member of their status if another meeting is missed.
- b) If an existing member who is representing an organization leaves that organization the member will be allowed to stay in the public advisory process and sit as an independent member at large.
- c) It is acceptable for an organization to appoint an interim member for the temporary replacement of a member. The facilitator should be made aware of these changes to an organizational representative.
- d) It is expected that organizations or members at large may leave the process and that new organizations or members at large will join into the process. When new organizations join into the process, parliamentary procedure will be used to determine if past decisions will be reopened for discussion.
- e) Quorum for meetings and decisions is 4 voting members. Simple majority rules. A tie vote on a motion is a lost vote.
- f) If the public advisory committee decides that a member needs to be removed from the committee, a motion can be put forth to the committee to remove that member. A quorum would be required to vote on this motion for removal. Every effort should be made to resolve the issues with this member before this action is taken.
- g) The terms of reference can be changed by the committee at any time through a motion made by a voting member. PRPD may request changes to ensure compatibility with CSA rules. A quorum of voting members would be required in order to conduct a vote on changing the terms of reference.

8.4 Facilitators Role in the Public Advisory Process

The facilitator will conduct their role as an objective, independent third party. The facilitator will also be responsible for making sure that all documents for meetings are distributed to the members according to the terms of reference. The facilitator will ensure that the administrative support records minutes, handles meeting logistics and sends required correspondence.

- a) The facilitator will be responsible for leading the public advisory committee and assisting them with any requests that they may have during the process.
- b) The facilitator is responsible for ensuring that the agenda, signup sheet and minutes are distributed to the members in the proper time frame.
- c) The facilitator will be responsible for making sure that the terms of reference are followed at all meetings. As well, the facilitator will use standard parliamentary rules of order to conduct votes and the meeting process.
- d) The facilitator is responsible for ensuring that arrangements for meeting logistics are taken care of.
- e) The facilitator will be responsible to help arbitrate disagreements between members or members and PRPD.
- f) The facilitator will have the responsibility to deal with membership issues as they arise from time to time.
- g) The facilitator will ensure that internal and external communications are conducted according to the terms of reference.
- h) The facilitator will not take part in reaching consensus or decision-making of the PAC.
- i) The facilitator will make sure that discussions address agenda items and that the meetings stay on course.
- j) The facilitator will provide support in summarizing and clarifying issues and recommendations. Seek to clarify for understanding.

- k) Will work closely with the spokesperson when external communications are necessary.
- l) The facilitator will assist new members become acquainted with past results of the PAC as required

8.5 Peace River Pulp Division's Role

- a) To present ideas and concepts to the public advisory committee for consideration and to review recommendations presented by the public advisory committee.
- b) To respond in writing one week prior to the next meeting, to the public advisory committee whenever reviews are conducted by PRPD on materials recommended by the PAC.
- c) If VOITS are brought forth by the PAC, and are not accepted or amended by PRPD, then the company must present in writing why they were not accepted one week prior to the next meeting. Changes, decision and rationale will be tabled for discussion at the next meeting.
- d) To demonstrate how VOITS that are put forth by the members are addressed in the management plan and how they will be implemented, monitored and reported on to the members.
- e) Report annually on the public advisory process in PRPD publications or publications specific to the PAC.
- f) Review the effectiveness of the public advisory process with the facilitator on an annual basis. Provide feedback on the progress being made.
- g) Provide the PAC with keystone dates and a list of the key steps in the process that they will be involved in.
- h) Present alternative strategies to the PAC for review and discussion. These alternative strategies need to be presented in a clear and concise manner so that the committee members can understand the alternatives and trade offs that may have to be made in regards to the VOITS.

- i) To provide all resources as deemed necessary and realistic in order to support the process to its fullest.
- j) D Inform and obtain support from senior management on the TOR and the public advisory process. Senior management at PRPD must approve the terms of reference before they are used.
- k) If the terms of reference are not approved by senior managers, then PRPD will respond in writing one week prior to the next meeting to the PAC on the specific issues with the terms of reference and these specific issues will need to be resolved with the PAC.
 - a. To be open and honest in all discussions with the members. Transparency will be critical for this process to succeed.
- l) To supply the PAC with all resources required for decision making and training.
- m) Will not take part in reaching consensus or decision making of the PAC.
- n) To make recommendations on scientific and other experts that may be required by the public advisory committee.
- o) PRPD will ensure that the structure and content of the PAC process meets CSA Z809 requirements.

8.6 Alberta Sustainable Resource Development Role

SRD involvement in the Public Involvement Process will be in an advisory capacity with the responsibility to observe the overall public involvement process. SRD representatives will sit as advisors regarding regulatory requirements, approvals and SRD agreements regarding the development of the DFMP. SRD is responsible to ensure meetings are conducted fairly, that the public has had the opportunity to express concerns and opinions, and that the company

responds to issues presented by the companies. Unless expressly stated, the presence of SRD representatives during the public meetings does not imply endorsement or consent to any of the ideas or concepts presented through the public involvement process.

9: Decision Making Process in the Public Advisory Process

- a) The group agrees to work by consensus. Every effort shall be made by committee members to achieve consensus on issues. Consensus is defined as a majority of members having substantial agreement on a decision.
- b) Decisions on specific issues will be considered to be interim consensus until there is consensus on the full set of recommendations. This will allow the group to build consensus on a complicated issue one piece at a time until overall consensus is reached.
- c) All decisions and recommendations will require the involvement of at least 4 members. Quorum will be 4 voting members.
- d) Committee members can re visit decisions. A motion can be made by the member to rescind a decision and to re open a topic for reconsideration following fair parliamentary procedure.
- e) The members will seek as much clarification on an issue in order to make an informed decision. In many cases compromise will be required in order to meet consensus.
- f) The committee may require the advice of experts before a decision can be made on certain issues.

9.1 Dispute Resolution Mechanism

The facilitator will resolve process issues with the PAC.

The PAC members will be required to work to identify underlying issues and to work to a solution in a positive friendly manner. Remember to be hard on the issue and soft on the people.

If in the event no consensus can be reached on an issue then the following steps will be followed:

The facilitator will summarize all points for and against the issue and submit this in writing to PRPD.

If required bring in experts to help resolve the issue.

Strive to reach consensus on the issue.

If consensus is not possible then vote on the issue according to parliamentary procedures. In this case a quorum of 4 voting members would be required for the vote to be held. In the event of a tie the vote would be lost.

9.2 Conflict Of Interest Guidelines

The public participation process needs to have a system to deal with conflicts of interest, particularly when participants have relationships with the organization or any other party that must be declared. All participants involved in the Public Advisory Committee, including the facilitator, shall identify any present or past relationships (business, consultative, etc.) with PRPD and any other interest group represented at the table when that relationship has potential to bias discussion or decision making.

The conflict of interest disclosure shall be expressed verbally and will be documented in the meeting minutes. Each conflict of interest disclosure statement shall be immediately assessed by the group and a determination made as to the implications (if any) of maintaining the individual as a participant. The intent of the disclosure statement is to make clear to all participants any possible bias associated with any one participant or group. Any individual may excuse him/herself from a particular decision. Likewise, the group may request an individual be excluded from any particular decision or discussion following a disclosure of potential conflict.

10: Review and Renewal of the Terms of Reference Document

The terms of reference document will be reviewed at least annually and amended as required. A motion would be required in order to open the terms of reference for review by the committee. A quorum of four voting members will be required to open the TOR for review.

The facilitator will lead the PAC through the review process and will bring the amendments to PRPD once they are approved by the PAC.

PRPD reserves the right to table Terms of Reference change requests in order to maintain compatibility with CSA Z809 standards.

11: Definitions for Acronyms

DFMP	Detailed Forest Management Plan
VOIT and targets.	CSA Name given in CSA Z809 for values, objectives, indicators
ASRD	Alberta Sustainable Resource Development
OPS	PRPD Operations (Harvesting etc.)
ILM	Integrated Land Management Concept where several resource sectors do integrated planning on the land base.
CCFM	Canadian Council of Forest Ministers
AAC	Annual Allowable Cut
SFM	Sustainable Forest Management
DFA	Defined Forest Area
BFRC	Boreal Forest Research Centre <blank>

