

**SFI® External Review Panel
Operating Charter
As Adopted, June 7, 2007.**

Mission: The External Review Panel provides an ongoing, independent, quality-oriented review of the Sustainable Forestry Initiative (SFI) program, and advises the Board of Directors of Sustainable Forestry Initiative Program, Inc. (SFI, Inc.) on making the program more effective.

Purposes and Objectives: The objectives of the External Review Panel are to:

- Bring diversity of perspectives and expertise to the SFI program;
- Contribute to quality assurance for the SFI program;
- Evaluate progress on continuous improvement of the SFI program;
- Review SFI program public documents for objectivity and credibility;
- Facilitate public input into the SFI program;
- Identify emerging issues and opportunities for the SFI program; and,
- Respond to requests from the Board of Directors of SFI, Inc. and the Resources Committee.

Membership: The Panel's membership will be selected to maintain a balance of technical skills and organizational experience. The total membership will be limited to fifteen (15). The transition from the previous number (18) will be achieved by normal attrition. Panelists may be selected from:

Environmental/Conservation Groups	4-6
Professional/Academic Groups	4-6
Public Agencies (Local, State, Tribal Governments, or Federal)	4-6

Quorum and Voting: A quorum of the Panel, for purposes of conducting official business, shall be at least 50% of the voting membership of the Panel at the time that the business is to be conducted. Participation in meetings and voting may be via conference call or other electronic means. Electronic voting by email is acceptable when required. A simple majority of those voting will be required when decisions are made by votes by the Panel.

Panel Terms: Panel members are elected to three-year terms, which begin on July 1 following the election and extend until June 30 of the appropriate year. Panelists whose full terms expire may be re-elected for one additional term. After serving two full three-year terms, a person will be ineligible for re-election until a period of one year has elapsed. Elected officers may retain Panel membership for one year beyond the expiration of their normal Panel terms so as to execute their elected office.

Membership Committee: A 5-person Membership Committee representing different categories of representation will be constituted each year to nominate candidates to fill vacant or expired terms on the Panel. The Committee will consist of three (3) panelists appointed by the Panel Chair, plus a representative from SFI Inc. and the Executive Secretary (see below) if that person

is an elected panelist. In the event that the Executive Secretary is an outside consultant or staff member, a fourth elected panelist will be appointed. One of the elected panelists will be selected to serve as Committee Chair. The Membership Committee will propose a slate of candidates who have indicated a willingness to serve. In the event of a vacancy, a candidate (or candidates) may be proposed at any time in the year, and the election held by email, telephone or written polling of the Panel. Election of new panelists on the regular annual election cycle will be an official agenda item at the Annual Meeting held to conduct the review of the Annual SFI *Progress Report*. At the conclusion of the annual election, the Membership Committee will complete its term of service.

Compensation: Panelists will serve without compensation, with the exception of the Executive Secretary (see below). Panelists will be reimbursed for normal travel expenses incurred on Panel activities. Claims for travel reimbursement may be made either to the SFI, Inc. staff or to the Executive Secretary.

Participation: Panelists are expected to participate in the work of the Panel. Reasonable attempts to accommodate busy schedules will include the opportunity to participate by telephone, fax, email, and writing. If a Panelist is unable, over the course of a Panel Year, to participate in the Panel process, the Chair will discuss the situation with the Panelist. If continued non-participation seems likely, the Chair will ask for the Panelist's resignation.

Management Committee: The Panel shall elect, from its membership, a Chair and two (2) Vice-Chairs to serve for one-year terms beginning on July 1 and ending on June 30 of the following year. Officers may be elected to the same office for two consecutive terms. Together, these three officers constitute the Management Committee of the Panel. The Management Committee shall provide oversight for the activities of the Executive Secretary, as well as provide leadership for the Panel during the year's activities and review process. It will lead the development of an annual work plan and budget for the Panel, negotiate needed agreements or approvals with SFI, Inc., and provide management oversight on the execution of the plan and budget.

Work Plan, Budget, and Funding: The Executive Secretary and the Management Committee will prepare a Proposed Annual Work Plan (on a calendar year basis). The plan will be provided to SFI, Inc. for review and concurrence. Based on the Proposed Work Plan, Budget requests will be submitted to SFI, Inc. or other funding sources. Upon receiving budget approval or funding for activities, the Panel will adopt a Final Work Plan. The Management Committee will oversee the implementation of the Work Plan. Amendments in the work plan or budget will be submitted to SFI, Inc. for review and concurrence. Funds received from non-SFI, Inc. sources will be handled under an accounting system agreeable to the Panel and SFI, Inc. SFI, Inc. may provide accounting services for the Panel. Full public disclosure of all funding, funding sources, obligations, and expenditures will be available at all times.

Executive Secretary: The Panel may select one of its members, or an outside consultant, to

coordinate the staff support to the Panel's activities. Terms of service are negotiable between the Panel and the Executive Secretary. Specific rates of reimbursement and performance measures will be set forth in a letter of agreement co-signed by the Chair and the Executive Secretary, and retained in the Panel files. This letter will be reviewed and updated annually. General work plans, priorities, and budgets will be contained in the Annual Work Plan.

SFI Liaison: SFI Inc. may name one Program Participant representative to the Panel who will serve as SFI's Liaison to the Panel. The SFI Liaison will have full debate but no voting rights in Panel activities and will not be subject to Panel term limits and election processes.

Dual Membership: No member of the Panel will simultaneously be a voting member of the Board of Directors of SFI, Inc.

SFI, Inc. Staff Support: SFI, Inc. staff manages the data for the SFI program and provides summaries, interpretations, and other information to the Panel. All data that are not protected by individual participant proprietary rights are accessible to the Panel. Staff may, upon request of the Panel and with SFI, Inc. approval, provide additional support functions for Panel operations.

Activities and Responsibilities:

1. Review of the Annual Report. The Panel will meet with SFI, Inc. staff in a mutually agreeable location to review the Annual *Sustainable Forestry Progress Report*. Following the review and agreed-upon revisions of the *Report*, the Panel will draft a letter explaining the results of the review. The letter will be published in the *Report*. If an individual Panel member objects to the revised *Report*, or the Panel's findings, they shall retain the option to not sign the letter. If requested, SFI, Inc. will indicate in the *Report* which Panel Members do not support the findings of the Panel.
2. Preparation of Panel Reports. The Panel may, consistent with its Work Plan, undertake studies and reports on issues of concern to the development and growth of the SFI program.
3. Field Visits to SFI Program Participants and Meetings. The Panel may conduct field visits of SFI-related forestry operations to obtain information and review operations, implementation, and address issues of concern relative to the effective implementation or credible reporting of accomplishments and progress indicators in the SFI program.
4. Pro-active oversight and review activities. The Panel may, on its own initiative, establish studies of aspects of the SFI Program where it feels further improvement may be needed or possible in the implementation of the SFI Standard or the SFI Annual Progress Report. If such studies involve financial outlays, the Panel will either raise such funds from sources other than SFI, Inc. or seek SFI, Inc.'s concurrence under (5) below.
5. Other Activities as Agreed As the SFI program evolves, the Panel may, with the agreement of SFI, Inc., enter into other activities that are mutually agreed to be consistent with its mission

and role as an independent outside reviewer, auditor, or commentator on the conduct and progress reporting of the SFI program.

Revision of the Charter: This Charter may be revised under the following procedures: Revision proposals will be drafted and circulated to all Panelists and Liaison representatives in advance of the meeting at which the revisions will be considered. Acceptance of Charter revisions shall require a vote equal to two-thirds (2/3) of the Panel membership.