

Meeting Minutes

10:30 am – 12:15 pm, Wednesday, July 29, 2020

Participants

Forest Genetics Council of BC:

Annette van Niejenhuis, Bevin Wigmore, Bob Johnson, Domenico Iannidinardo, Gord Chipman, Jeff Mycock, Juergen Ehling, Katherine Spencer, Keith Thomas, Mark Hay, Pat Martin

Guests: Directors and Officers of SelectSeed: Henry Benskin, Kerry McGourlick, Jim Burbee, Rod Willis, Jack Woods and Brian Barber (CEO & FGC Program Mgr); Shane Berg, Deputy Chief Forester.

Regrets (Proxy): Bill Laing (Jeff), Tony Hopkin (n/a).

Proceedings

A draft agenda and materials were circulated in advance via email by Pat. The meeting was held via GoToMeetings, hosted and recorded by Brian.

Summary of Action Items:

Person(s)	Actions	Date
Pam and Dom	FGC to provide SelectSeed with guidance re successor rights, and how new orchard decisions will be made.	Aug 31, 2020
Brian	Initiate discussions with SelectSeed's partners re their interests in orchards contract extensions, management and replacements, and prepare summary and draft plan for FGC –	Mar 31 2021
Pat, Dom & Henry	discuss orchard plan progress & issues	As required
Brian	Provide updates on SelectSeed's orchard plan, respecting confidentiality of negotiations and positions, and add topic as standing item to FGC agendas	Sept and Dec. 2020 Meetings

1. Intro & Agenda

Domenico chaired and called meeting to order at ~10:35 am. Participants were invited to share their background and interested in BC forest genetics program.

The draft agenda circulated in advance was subsequently reviewed

Motion: The Agenda for this meeting is hereby approved. Keith/Annette. Carried

Agenda

#	Time	Min.	Item	
	10:15		Sign-in, test and resolve problems with video and audio	Brian
1	10:30	5	Agenda	Co-Chairs
2		30	Discuss SelectSeed's letter dated July 15, 2020 a) SelectSeed Mandate b) Orchard Planning c) Communications	Co-Chairs
3		30	Discuss a proposed set of near-term actions	Co-Chairs
4		10	Discuss Brian's role	Co-Chairs
5		15	In-camera session	Co-Chairs
6	Noon		Adjourn	Co-Chairs

Dom and Pat stated the purpose of this special meeting was to discuss SelectSeed's orchard replacement strategy, the issues and questions raised in SelectSeed's letter to FGC, and to increase FGC members' understanding and inform subsequent decisions.

Henry welcomed the opportunity to engage FGC on this important topic. SelectSeed is currently operating under its approved 2020/21 Business Plan, which includes implementation of an orchard replacement strategy. SelectSeed will not commit to any orchard contract extensions or new agreements prior to bringing forward a plan to FGC – by March 31, 2021. The Board requested clarification of FGC's seed orchard review process, including decision points and whom will be involved.

2. SelectSeed Letter of July 15, 2020

Dom invited comments and questions regarding SelectSeed's July 15 letter to the Co-chairs.

Mandate: Shane Berg affirmed SelectSeed's role and its continued importance in BC's forest genetics program, and encourage dialogue. Henry added SelectSeed provides seed to multiple users, esp. those without orchards, at affordable prices, thus providing seed supply stability.

The provision of gov't funds to SelectSeed and private orchards was acknowledged. SelectSeed and private orchards have, in turn, supported the Ministry's tree breeding operations directly or through in-kind contributions.

Orchard Planning: SelectSeed was established to help FGC achieve its objectives and to fill gaps in Class A seed supply. SelectSeed currently has 25% of the orchard capacity. This historical context may not be relevance to its future role.

SelectSeed Board made the case it provided the upfront capital and has paid for the majority of maintenance costs to-date – thus its claim to successor rights for new materials/orchards. The status of Material transfer agreements between the Ministry and SelectSeed or SelectSeed's partners was raised. If the MTAs were signed with the latter, it could confer shared successor rights. It application of CF Principle 8 to SelectSeed was also questioned. Successor rights is a tricky question that FGC may not be able to resolve; could be a legal matter between the parties. Some guidance is required so all parties to an orchard agreement know where they stand on successor rights.

If SelectSeed cannot reinvest in new orchards, it will not be able to sustain its support of FGC and the Ministry's breeding program. Delays in orchard establishment decisions will also impact cash flow as it takes 10 years for a new orchard to start generating positive revenues.

These uncertainties are not unique to SelectSeed. A provincial strategy would assist SelectSeed and other orchard managers plan the future. FGC's desired outcomes for SelectSeed's orchard replacement plan would also be helpful.

Communications and Brian's role: These agenda topics were combined in the interest of time. Henry stated Brian is not in a conflict of interest serving as the Company's CEO, whose duties include serving the shareholder, FGC, as its Program Manager. The latter role does not include making decisions re new seed orchards. Brian can, however, receive conflicting direction from the Board and FGC. FGC's in-camera meetings are intended, in part, to avoid this.

Communications between FGC and SelectSeed were confirmed under the next agenda item.

3. Near Term Actions

SelectSeed was encouraged to engage its partners to determine their interests in contract extension, continuing to manage the orchards without a partnership agreement or retiring the orchards (opt-out). FGC will also endeavor to provide clarification of successor rights and an orchard decision-making process. The latter may require input from the Ministry respecting its MTA's held with SelectSeed and/or its partners.

1. FGC to provide SelectSeed with guidance re successor rights, and how new orchard decisions will be made. Pat and Dom by Aug 31.
2. Brian to initiate discussions with its partners re their interests in orchards contract extensions, management and replacements, and prepare summary and draft plan for FGC – March 31, 2021.
3. Co-Chairs and Henry (President) to discuss orchard plan progress & issues – as required
4. Brian (CEO) to provide FGC updates on SelectSeed's progress - respecting confidentiality of negotiations and positions. Add topic as standing item to FGC agendas – Sept and Dec meetings.

13. In camera session

Guests were excused and the recording of the meeting was stopped.

14. Adjourn

Motion: The in camera session is closed and the meeting is hereby adjourned at 12:15 pm. Pat/Dom. Carried

Draft minutes prepared by B Barber, July 30, 2020. Approved Oct 2, 2020.