

M i n u t e s

of the 8th regular

M e e t i n g o f t h e M e m b e r s

on November 30th 2010, 12 p.m. to 17:30 p.m., nova-Institut GmbH, Chemiepark Knapsack, Industriestr. 300, 50354 Huerth, Germany, of the

E u r o p e a n I n d u s t r i a l H e m p A s s o c i a t i o n e . V . (E I H A) H ü r t h / G e r m a n y

Michael Carus (hereinafter "Chairman of the Meeting") took over the chairing of the meeting and opened it by 12 clock, welcomed the participants and noted that the General Meeting convened and a quorum is statutory.

Then the Chairman announced the meeting the following agenda:

Top 1

- a. Subscription rules (Definition of the membership fee)
- b. Guidelines for the association's work
- c. Exoneration of the Board of Directors
- d. Changes to statutory articles (§4, section 2 and §7, section 2)
- e. Advisory Board

Top 2 Looking back

- a. Status report on hemp and other natural fibres
- b. Report on EIHA activities in 2010 (Lead Market Initiative (LMI), EFSA, Sustainability Certification, LCA-Study, Booth on Electric Vehicle Congress)
- c. Financial report of the EIHA
- d. Lobbying activities in Brussels

Top 3 Outlook, guidelines and focus of EIHA activities in 2011

- a. Hemp subsidies
- b. Lobbying activities in Brussels
- c. Booth at conferences (Electric Vehicle Congress and/or Congress on Bio-based Plastics and Composites)
- d. International Business Directory for Innovative Bio-Based Plastics and Composites iBIB2011
- e. Report on Bio-Based Plastics and Composites
- f. other activities

Opposition to that agenda was not raised.
Then the following agenda items were completed:

Top1

a. Subscription rules (Definition of the membership fee)

First of all the identification of the voting rights of the participants was done:
53 votes altogether

The Chairman asked whether the membership fee should be changed. The members decided unanimously with 53 votes against a change of the membership fee.

b. Guidelines for the association's work

The Chairman asked whether the guidelines for the association's work should be changed. The members decided unanimously with 53 votes against a change of it.

c. Exoneration of the Board of Directors

The board of directors has been exonerated unanimously votes by the members. The board members abstained from voting.

d. Changes to statutory articles (§4, section 2 and §7, section 2)

The members decided to change the statutes at

§4, section 2, 2nd sentence:

"They receive free admission to EIHA conferences and meetings, having the right to speak and to make proposals there." It will be changed to:

"They receive free admission meetings, having the right to speak and to make proposals there."

§7, section 2:

"An extraordinary General Meeting must be called by the Board of Directors if deemed necessary in the best interest of the association or if at least half of the regular members officially request this and provide a reason."

It will be changed to:

"An extraordinary General Meeting must be called by the Board of Directors if deemed necessary in the best interest of the association or if at least 40 % of the regular members officially request this and provide a reason."

Both decisions have been taken unanimously with 53 votes by the members.

e. Advisory Board

The Chairman asked whether to found an Advisory Board. The members decided unanimously with 53 votes against it a founding of an advisory board. A future founding has not been excluded.

Top 2 Looking back

a. Status report on hemp and other natural fibres

Michael Carus gave an introduction to EIHA and its status, main activities and financial situation. EIHA currently has 8 regular members and 65 associate members from 26 countries. This is a decrease of 3 associate members compared to December 2009.

He showed new data on the cultivation area in the European Union for 2010. According to these data, there are about 15,000 ha of industrial hemp in the EU. Main cultivating countries are France, Netherlands, Germany and the UK.

Contrary to the development of hemp, the flax cultivation area has been going down since 2004. The main reason is the competition to bioenergy crops.

The development of the prices of technical flax fibres is contrary to the hemp one: Prices are rising sharply. The reasons are: the harvest in 2010 was relatively poorly, the yield of usable tow is less than usual, the areas have been declining for years and the demand from China has increased according to the same tow. Overall, these factors lead to a shortage of technical flax fibers.

This could be a chance for hemp marketing.

b. Report on EIHA activities in 2010 (Lead Market Initiative (LMI), EFSA, Sustainability Certification, LCA-Study, Booth on Electric Vehicle Congress)

Michael Carus has presented the annual report of the activities of EIHA since the last General Meeting in May 2010. A main focus of work was to increase the awareness of hemp as a bio-based material. This was done e.g. by participating the Electric mobility conference in Bonn. Bio-Composites are an important option for light weight construction. In addition insulation of electric vehicles is very important because the electrical engine does not have the thermal production of vehicles with combustion engines.

Michael Carus has explained detailed the LCA-meta analysis for hemp fibre products. All available LCAs on hemp fibre products have been evaluated. The results for the use of hemp in bio-composites are very positive. The results on hemp insulation material are less convincing.

The current budget for this study from EIHA is limited (7,500 € by EIHA and 3,080 EUR donations). The results should to be published in a brochure early 2011. Full study should be published as PDF and the summary with focus on bio-composites as PDF and printed brochure & press release.

EIHA has written a press release regarding the topic LMI and has sent it to representatives of the press. The European Hemp Association (EIHA) welcomes and supports the discussions on targets for different bio-based products, such as bio-polymers, bio-lubricants, and certain chemical building block chemicals, within the Lead Market Initiative (LMI), the Ad-hoc Advisory Group, the EU-RRM Group and the European Association for Bioindustries (EuropaBIO).

EIHA has also done the following: new appearance of www.eiha.org, new layout of the membership application, replied a lot of requests, supporting letter to the EU Commission and gaining new members of the EIHA.

c. Financial report of the EIHA

Michael Carus has presented the financial situation of EIHA:

The current saldo (November 25th 2010) is about 9,883.28 EUR. Outstanding debts are about 3,250.- EUR. The annual budget is approx. 24,000.- € (8 regular members paying 1,000 € and 65 associate members paying 250 €). Of this budget, 12,000 € go to the nova-Institut for the executive committee. The financial situation is approved by the attending members.

d. Lobbying activities in Brussels

Another focus is increasing the awareness of policy makers for industrial hemp (lobbying in Brussels, be part of the CEN group in Brussels, cooperation with other associations) and the industry. EIHA achieved one important goal to include the natural fibres in CEN Bio-based!

Top 3 Outlook, guidelines and focus of EIHA activities in 2011

a. Hemp subsidies

DG Enterprise, ongoing activities on Lead Market Initiative (LMI), our aim is to implement targets/quotas also for biocomposites.

DG AGRI:

In January meetings with important players in DG Agri. Our aim is to get an extra direct payment in the first pillar of CAP.

The participants of the meeting decided EIHA to do the following activities:

b. Booth at conferences (Electric Vehicle Congress (1,500 EUR) and Congress on Bio-based Plastics and Composites (800 EUR + 300 EUR for participation))

c. International Business Directory for Innovative Bio-Based Plastics and Composites iBIB2011: one page for 700 EUR

d. Report on Bio-Based Plastics and Composites: EIHA will not support this publication.

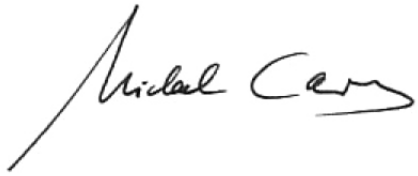
e. other activities:

- Grant to nova-Institut for EIHA: 12,000 EUR
- Traveling costs for nova: 1,000-2,000 EUR
- Layouting & printing of the LCA study (summary): 1,000 EUR
- Printing of the EIHA application for membership: 300 EUR
- Press text: keywords are: price stability of hemp; automotive industry should use a higher quota of hemp fibres instead of expensive flax fibres.

- Meeting on standardization: nova-Institut will organise a meeting in early 2011 regarding the topic standardization. nova will invite the processors, Prof. Dr. Müssig (Uni Bremen) and the company Cetelor (France).

- Sustainability Certification: A certification of hemp fibres could be an advantage when selling the fibres to the automotive industry. The costs are about 15.000 EUR for the certification scheme and 1.000 EUR for membership of ICSS. Each company which would like to be certificated has to pay 5.000 EUR in addition to a local certifier. EIHA is very interested but not able to pay the certification scheme on its own. Therefore, it was suggested to ask the French processors and some customers to bear the costs partly.

The participants decided to make the final decision in this case after the meeting of Michael Carus with DG Agri and the French processors.



Michael Carus

Chairman of the Meeting



Dominik Vogt

Keeper of the minutes