

Minutes

of the 9th regular

Meeting of the Members

on May 17th 2011, 7 p.m. to 9 p.m., Rheinforum, Auf dem Rheinberg 2, 50389 Wesseling, Germany

European Industrial Hemp Association e.V. (EIHA) Hürth/Germany

Michael Carus (hereinafter "Chairman of the Meeting") took over the chairing of the meeting and opened it by 7 p.m., 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: Subscription rules

Top 2: Data on the European Hemp Industry

Top 3: Basic facts on EIHA

Top 4: Annual report/Looking back

Top 5: Financial report

Top 6: Outlook activities and projects in 2011/2012

Top 7: Miscellaneous

Opposition to that agenda was not raised.

Then the following agenda items were completed:

Top 1: Subscription rules

First of all the identification of the voting rights of the participants was done: There were 74 valid votes altogether.

The Chairman asked whether the Statute § 5 should be changed. The old § 5 stated that the minimum membership fee for associate members is 250 EUR. The proposal was that shall be changed and that as a new rule the annual membership fee for associate members shall be determined by the General Meeting.

The members decided unanimously with 74 votes in favour of this change of § 5.

Top 2: Data on the European Hemp Industry

Michael Carus presented the latest data on European hemp and flax cultivation areas and the price development of hemp and flax technical short fibres.

According to these data, there were about 10,000 ha of hemp cultivation area in Europe, the main producing countries being France, UK, the Netherlands and Germany.

The sharp rise of prices for technical flax fibres has continued in 2011, contrary to the stable development of hemp technical fibres. The reasons are: the flax harvest in 2010 was relatively poor, 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 fibres. Due to low rainfall and expected low yields also in 2011 flax prices are expected to stay high.

Top 3: Basic facts on EIHA

Michael Carus presented an overview of EIHA. In May 2011 there are 73 (8 regular and 65 associate) members. 55 members come from 18 European countries, 18 members from other countries like Canada, Australia, China, South Korea, Thailand, Uruguay, USA. Furthermore, there are cooperations with Hemp Industries Association, USA, Canadian Hemp Trade Alliance, Canada and the International Hemp Building Association, Ireland.

The number of participants at the annual EIHA conference has increased again from 100 in the previous year to 118 participants this year. The decrease in 2010 was largely attributed to the volcano outbreak in Iceland and the restrictions in air traffic.

Top 4: Annual report/Looking back

Michael Carus has presented the annual report of the activities of EIHA since the last General Meeting on November 30th 2010. A main focus of work was to increase the awareness of hemp as a bio-based material. This was done by congresses like the International Congress on Bio-based Plastics and Composites in Cologne in March 2011 where EIHA was represented by a booth.

Furthermore, Michael Carus presented the results of an Assessment of Life Cycle Studies on Hemp Fibre Composites. All available LCAs on hemp fibre products have been evaluated. The results for the use of hemp in bio-composites are very positive. On the other hand, the results on hemp insulation material are less convincing due to the quality of the analysed LCAs. The results of this study have been published in the bioplastics MAGAZINE Vol. 1/2011 and an EIHA leaflet with a summary of the results has also been prepared.

Further work on increasing the awareness of hemp was done through the International Directory for Innovative Bio-based Plastics and Composites (iBIB2011) where EIHA was presented on one page.

The second focus of EIHA activities was to increase the awareness of politics on hemp and its potential in the bio-based economy. To this end, a cooperation with the European Food Safety Authority (EFSA) was started on THC limits in hemp feed, a letter was sent to the Commission supporting the hemp variety Finola, a position paper on the Lead Market Initiative (LMI) for Bio-based products was prepared for the DG Enterprise and DG Research and a report was written that explained possible support instruments for hemp within the

Common Agricultural Policy (CAP). This latter report was presented and discussed at the end of the GM.

Top 5: Financial report

Michael Carus presented the financial situation of EIHA:

The current saldo (May 10th 2011) was 7,835.76 EUR. Outstanding debts were 5,800.00 EUR. The annual budget is approx. 25,000 EUR (8 regular members paying 1,000 EUR or more and 65 associate members paying 250 EUR or more, plus some extra payments). Of this budget, 12,000 € go to the nova-Institut for the executive committee. The financial situation is approved by the attending members.

As financial auditors, Michael Carus and Bernd Frank were re-elected with 73 votes and 1 abstention and 64 votes and 10 abstentions, respectively.

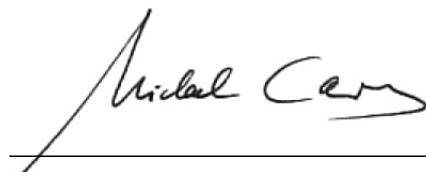
Top 6: Outlook activities and projects in 2011/2012

Michael Carus then presented an outlook of activities for 2011 and 2012. On the objective of increasing industry awareness for hemp, EIHA will be again represented by a booth at the Electro-Mobility Congress in Bonn, Germany, in June 2011. Soon, the long version of the LCA Meta-Analysis and a press release on the EIHA conference and the LCA Meta-Analysis will be published. In the field of increasing policy awareness, cooperations with other European associations will be extended, a position paper on THC feed limits will be prepared and the liaising with different DGs (esp. DG Agri on CAP reform and DG Enterprise on the LMI), the Commission and the European Parliament will be deepened.

Additionally, new activities were presented such as the effort of EIHA to make hemp the first natural fibre worldwide to receive a sustainability certification, the work on a leaflet on EIHA activities, the progress in European research projects such as UltraFibre and efforts to cooperate with traders in a joint fibre marketing.

Top 7: Miscellaneous

Finally, the report on possible support instruments for industrial hemp in the framework of the Common Agricultural Policy (CAP) was presented and discussed.



Michael Carus

Chairman of the Meeting



Stephan Piotrowski

Keeper of the minutes