

M i n u t e s

of the 10th

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

on November 24th 2011, 11 a.m. to 5 p.m., nova-Institut GmbH, Industriestraße 300,
Chemiepark Knapsack, 50354 Hürth, Germany

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 11 a.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: Basic facts on EIHA

Top 2: Subscription rules (Definition of the membership fee 2012)

Top 3: Exoneration and Election of the Board of Directors

Top 4: Election of the Financial Auditor

Top 5: Status report on hemp and other natural fibres

Top 6: Financial report of the EIHA

Top 7: Exclusion of non-paying members

Top 8: Report on EIHA activities in 2011

Top 9: Outlook, guidelines and focus of EIHA activities in 2012

Opposition to that agenda was not raised.

Then the following agenda items were completed:

Top 1: Basic facts on EIHA

The chairman presented an overview of EIHA. In November 2011 there are 82 (8 regular and 74 associate) members. 64 members come from 21 European countries, 18 members from other countries like Canada, Australia, China, South Korea, Thailand, Uruguay, USA. Furthermore, there are co-operations with other Hemp Industry Associations, USA, Canadian Hemp Trade Alliance, Canada and the International Hemp Building Association, Ireland.

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

Top 2: Subscription rules (Definition of the membership fee 2012)

The identification of the voting rights of the participants was carried out : There were 73 valid votes in total . Michael Carus (nova-Institut): 1 vote, Bernd Frank (BAFA): 10 votes, John Hobson (Hemp Technology): 11 votes, Francois Boutroux (Agrofibre): 10 votes, Albert Dun (Dun Agro): 10 votes, Daniel Kruse (Hempro): 10 votes, Sylvestre Bertucelli (Interchanvre): 1 vote, Mark Reinders (HempFlax): 10 votes, Olivier Joreau (CAVAC): 10 votes
The Chairman asked whether the Statute § 5 should be changed. The members of the EIHA voted for a raising of the membership fee for associate and regular members.

Voting:

- membership fee 2012: 62 votes for an associate member fee of 300 EUR and a regular member fee of 1,500 EUR / 10 votes or for a higher membership fee / abstention (1 vote)
- Limit for next level: 1,000 ha (32 votes) / 800 ha (40 votes) / abstention (1)

From 2012 on the membership fee is listed as below:

- minimum membership fee for associate members: from 250 € (2011) to 300 € (2012)
- minimum membership fee for regular members: from 1.000 € (2011) to 1,500 € (2012)
 - until 800 ha 1,500 € and 10 votes
 - 800 – 1,600 ha 1,650 € and 11 votes
 - 1,600 – 2,400 ha 1,800 € and 12 votes
 - and so on ...
 - each additional 800 ha: 150 € and 1 vote

If necessary extra budget for lobbying activities in Brussels will be paid by the fibre processors.

Top 3: Exoneration and Election of the Board of Directors

The Chairman asked whether the Board of Directors should be exonerated.

All participants voted for an exoneration of the Board of Directors – altogether 52 votes.

The current Board of Directors consists of three members (president and two deputies). The proposal was made to increase the board of directors up to six persons. The executive office should check the statute whether a modification is necessary or not. As soon as possible the increase of the board up to six should be realized.

The result of the election of the Board of Directors was:

John Hobson (Hemp Technology Ltd., Great Britain) has been re-elected as president of the EIHA with 73 votes. First Deputy is again Bernd Frank (BAFA GmbH, Germany) with 73 votes and Olivier Joreau (CAVAC, France) has been elected with also 73 as a new Second

Deputy of the EIHA.

Top 4: Election of Financial Auditors

Michael Carus and Bernd Frank were re-elected unanimously as financial auditors.

Top 5: Status report on hemp and other natural fibres

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

There were about 10,000 ha of hemp cultivation area in Europe. The main producing countries are 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: Lower crop yields in 2011 due to unfavourable climate conditions in the spring 2011. The drought prevented optimal plant growth and decreasing cultivation area for flax caused a lower flax fibre quantity. Another reason is the competition to bioenergy. Overall, these factors led to a shortage of technical flax fibres.

Top 6: Financial report of EIHA

The Chairman presented the financial situation of EIHA:

The current figure (November 9th 2011) was 2,372.29 €. Outstanding debts were 4,650 €. The annual budget was approx. 25,000 € (8 regular members paying 1,000 € or more and 65 associate members paying 250 € or more, plus some extra payments). Of this budget, 12,000 € went to the nova-Institute for the executive office.

Because of the new membership fee the budget in 2012 will be raised to approx. 34,000 € (8 regular members paying 1,500 € or more and 74 associate members paying 300 € or more). 12,000 € of the budget will go to nova-Institut for the executive committee again.

Top 7: Exclusion of non - paying members

The Chairman presented the list of members, who haven't paid the membership fee. The participants decided to remind members of paying the membership fee.

The consequence of not paying the membership fee will be the exclusion from EIHA.

David Foster won't be a member of EIHA any more in 2012.

Top 8: Report on EIHA activities in 2011

Then the Chairman presented the activities of EIHA in 2011, which included lobbying, studies, position papers and business directory.

The main activities were:

1. Active lobbying in Brussels concerning CAP
2. Cooperation with COPA-COCEGA
3. Lead Market Initiative (LMI) membership
4. Hemp Fibres for Green Products – An assessment of life cycle studies on hemp fibre applications
5. Statement by the European Industrial Hemp Association (EIHA) on the study by the European Food Safety Authority (EFSA) on
6. Possible support instruments for industrial hemp in the framework of the Common Agricultural Policy (CAP)
7. Report on ecological benefits of hemp and flax
8. Meta-Analysis on hemp fibre applications

9. Int. Business Directory for Innovative Bio-Based Plastics and Composites (iBIB2011)
10. Trade fairs and conferences
 - a. Booth on Int. Congress on Bio-Based Plastics and Composites 2011, March 2011
 - b. Booth on Third German Electric Vehicle Congress, June 2011

Top 9: Outlook, guidelines and focus of EIHA activities in 2012

The Chairman introduced an outlook of forthcoming activities in 2012.

- Booth at BWK Congress 2012?
- Booking of iBIB2012?

Dominik Vogt will ask the board of directors in Jan. 2012.

Topic 1-2012: Data collection – market research

One running study for France – EIHA should collect all data and market information for all other European countries and harmonize the methodology with the French group

Cultivation, Processing, Fibres / Shives / Seeds, Applications

And market trends, like (due to a discussion in the General Meeting)

2011

Fibres: Market increase: insulation, automotive, textiles. agro textiles
Constant or small increase: pulp & paper

Shives: Market increase: horse bedding, construction, gardening
2010: 250 €/t -> 2011: 350 €/t

Seeds: Market increase: food
Constant: feed

Responsible: Dominik Vogt

Topic 2-2012: Sustainability Certification

The executive office should provide more information on this topic and invite Dr. Norbert Schmitz from ISCC to the next EIHA General Meeting in Wesseling (May 2012). After this meeting the board of directors will decide how to proceed. In any case the French associations should be integrated in this process.

www.iscc-system.org

Background: Automotive industry is demanding a sustainable feedstock; exotic fibres are starting the process – hemp could be the first certified fibre!

Topic 3-2012: others

- Lobbying strategy and activities for CAP / Brussels
- Press release to European Commission and European Parliament
- Visits in Brussels and national ministries
- Keeping hemp in the family of bio-based economy!

Presentations at the 9th International Conference of EIHA

Bernd: Planet Chanvre

Daniel: Food + Textile

Sylvestre: French Administration

Francois: Shives Appl.: Construction, horse bedding, garden