



INTERNATIONAL TROPICAL TIMBER COUNCIL

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DECISION 2(LIV)

RECONFIRMATION OF FURTHER MEASURES AND MANDATING OF LEGAL ACTIONS REGARDING THE FINANCIAL IMPAIRMENT

The International Tropical Timber Council,

Recalling Decision 4(LI), Decision 4(LI.1), Decision 5(LII) and Decision 7(LIII) dealing with the loss of 18.2 million USD of ITTO funds;

Noting the findings of the independent investigation carried out under Decision 4(LI);

Acknowledging that the total loss of 18.2 million USD had to be fully covered at the expense of the entire Membership in addressing the financial shortfall pursuant to Decision 6(LII), of which concrete measures were finalized and approved by the Council as set out in document ITTC(LIII)/12;

Bearing in mind the need to take legal actions, within required time limits if any, according to the developments in the ongoing court case against the investment advisor filed in accordance with Decision 4(LI.1);

Decides to:

1. Request the Executive Director, without prejudice to any legal recourse that ITTO may have, to further continue his efforts in requesting the former Executive Director and the two former ITTO staff involved in the loss of funds, (hereinafter referred to as "former ITTO employees"), without any declaration of liability, to contribute to meeting the financial shortfall, including by returning to the Organization its contributions plus interest to their Provident Funds;
2. Request the Executive Director, if so professionally advised according to the developments in the ongoing court case, to maintain the ability of ITTO to pursue further legal action by initiating a third party notice to the former ITTO employees as necessary and without delay;
3. Request and authorize the Executive Director, in addition to the above actions, to use concerted and reasonable efforts and the remaining funds authorized under Decision 4(LI.1) as well as an additional amount not exceeding US\$50,000 from the Working Capital Reserve to take all necessary and appropriate legal actions against responsible parties on this matter; and
4. Request the Executive Director to provide regular updates on the implementation of this Decision to the Chair and Vice-Chair of the Council, and provide periodic reports to the Council on the implementation of this Decision as well as of the above-mentioned Decisions.

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