CASTLE PEAK FOREST PARTNERSHIP

MINUTES OF ANNUAL GENERAL MEETING
HELD AT NAPIER CONFERENCE CENTER AND THE PROPERTY
ON FRIDAY 27TH APRIL 2018 AT 8:30AM

PRESENT

P G Smeets Investments Limited (Pierre Smeets), Robin David & Joanne Shirley Morgan

ATTENDING

Steve Bell, Rory Bennison, Paul van der Vort, Richard Airey (Forest Management (NZ) Limited), Will Dickie, Richard Bourne, Grant Morris (Roger Dickie (NZ) Limited), Jeff Whitlock, Margaret Prince (Moore Stephens Markham's Waverley)

APPOINTMENT OF CHAIRMAN

Nominations were called for the position of Chairman for this meeting.
Joanne Morgan/Margaret Prince as Proxy for Roger Dickie (No 21) Limited THAT Will Dickie be appointed Chairman for this meeting. <u>CARRIED</u>

APOLOGIES AND PROXIES

Alan Lewis Jones, Alba Limited, Alex K W Morgan, Andrew John Holmes, Anmac Forest Limited, Anna Mary Tipping, Barbara Needham, BN & JL Collenette Limited, Cintam Enterprises Limited, Corkill Forests Limited, Dunbar Investment Trust, Ian Malcolm & Wendy Gabriel MacDonald, Jack Thomas Faulkner, Lamont Forest Investments Limited, Messines Investments Limited, Michael John & Philippa Merron Brigden, Michael Lawlor, P A & J E Burgess Limited, Pen Trees Limited, Richard Frederick Carver, RLPM Limited, Roger Dickie (No 21) Limited, Seong Jin Kim, Speak Seedlings Limited. Proxies were held for the above named, establishing a quorum for the meeting.
Joanne Morgan/Margaret Prince as Proxy for Roger Dickie (No 21) Limited THAT apologies and proxies be sustained. <u>CARRIED</u>

MINUTES OF THE PREVIOUS MEETING

The Minutes of the April 2017 general meeting had been circulated.
Margaret Prince as Proxy for Roger Dickie (No 21) Limited/Roger Dickie THAT the minutes of the previous meeting be confirmed. <u>CARRIED</u>

ARISING FROM THE MINUTES

Nil

REPORTS AND DRAFT FINANCIAL STATEMENTS

The reports from Roger Dickie, Forest Management (NZ) Ltd, PF Olsen's 2018 Tree Crop Valuation and the 2018 Draft Financial Statements were tabled and discussed.

PUBLIC LIABILTY INSURANCE

Robin Morgan/Joanne Morgan THAT Public Liability Insurance be effected for $10 million.
<u>CARRIED</u>

ADMINISTRATION

Joanne Morgan/Pierre Smeets THAT the administrators' remuneration be at a rate of $378 (GST excl.) per month. <u>CARRIED</u>

BUDGET/CASHFLOW

Pierre Smeets/Joanne Morgan THAT the Budget Cashflow Statement for the year to 28th February 2019 be approved. CARRIED

It was noted the NZU sales shown in March are a drawdown of funds from the partnerships investment account where funds from the sale of NZUs are held. It is to cover the tax partners are required to pay on the sale of NZUs. It is also shown as a distribution, to partners, in April. Any further amounts shown on the NZU sales line during the year are not further sales but are draw downs from the investment account. The balance of funds remain in the interest bearing investment account (as shown in Financial Statements) to cover ongoing holding costs thus eliminating share calls as voted for in 2017.

GENERAL BUSINESS

ETS (Emissions Trading Scheme)

William Dickie gave attendees an update regarding the ETS. The Government announced the ETS will be reviewed in late 2019 and there seems to be a general consensus within the industry that further upside in the price of carbon is likely given the Green influence in the coalition. The manager continues to monitor the market.

Log Markets

There was an update on the outlook for log markets in the short to medium term. Overall, momentum remains robust in China, log offtake from the ports is up to 100,000m3 per day with log inventories sitting between four and five million cubic meters. Exchange and shipping rates had increased slightly.

Health and Safety

It was discussed that this is a significant factor in the forestry industry. The forest managers are being very proactive in this space to ensure best practice from all contractors in our forests.

Secondary Market

We have had very little to offer on the secondary market with no secondary sales for 4 months. We have a good number of existing partners who have registered an interest in securing additional investment. Partners looking to secure additional Partnership Interests or divest were advised to contact the office.

MEETING CLOSED: 3:00pm

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Chairman

Castle Peak Forest Partnership 2018