DASHWOOD FOREST PARTNERSHIP

MINUTES OF ANNUAL GENERAL MEETING HELD AT MOORE STEPHENS MARKHAMS, 87 WERAROA ROAD, WAVERLEY ON FRIDAY 7TH JULY 2017

PRESENT:
Roger Dickie, Martin Perry, Roger Dickie (No 12) Limited (in attendance by Proxy Margaret Prince).

ATTENDING:
Richard Bourne, Will Dickie (Roger Dickie (NZ) Limited), Nicola Gibbons and Margaret Prince (Moore Stephens Markhams, Accountants).

CHAIRMAN:
Nominations were called for the position of Chairman of the meeting.
M Prince (as Proxy)/R Dickie THAT Roger Dickie be elected Chairman.
There being no further nominations, Roger Dickie was elected Chairman

CARRIED

APOLOGIES AND PROXIES:
Apologies and Proxies were held for 20 partners.
This equated to 82.6% of the partnership interests.
Acolyte Holdings Limited, Argosy Forests Limited, Awesome Accountants Limited, Bemac Investments Limited, Cooper Forestry Limited, DLS Investments Limited, Ian Armitage, Nancy Edwards, Nether Enterprises Limited, Richard Hurley, Rural Outlook Limited, Simon Woodhouse, Steppes Forestry Limited, The Garth Samuels Family Trust, The Hazelwood Trust, The RC Dickson Family Trust, Vincanne Limited, Wallace Knight, Whakatane Developments Limited, Willine Developments Limited
R R Dickie/M Prince (as Proxy) THAT Apologies and proxies be sustained.

CARRIED

MINUTES OF SPECIAL GENERAL MEETING:
The minutes of the Special General Meeting held 21 September 2016 for the adoption of the 2016 Audited Financial Statements as previously circulated were summarised.
R R Dickie/M Prince (as Proxy) THAT the minutes be confirmed. CARRIED

Matters Arising:
Nil

AUDITED FINANCIAL STATEMENTS:
THAT the 2017 Audited Financial Statement for the Partnership be approved and adopted.
R R Dickie/M Prince (as Proxy) CARRIED

GENERAL BUSINESS:
Martin Perry asked to speak to comments made in the minutes of the General Meeting and Matters Arising held in Wairoa on 24th April 2017.

Those present agreed to Mr Perry speaking as he had travelled some distance to the meeting.

Mr Perry referring to the Minutes of the General Meeting held in April 2017, stated he did not consider it fair or appropriate that a personal attack be made on a partner not able to be present at a meeting.

Richard Bourne commented there was no personal attack in simply stating the fact that Martin had written many letters and displayed a 4 inch thick Eastlight folder full of letters received to date from Mr Perry.

Mr Perry stated that he felt relevant changes have come about due to his correspondence over this time.

Mr Perry was reminded that if he was dissatisfied with his involvement in Dashwood Forest Partnership one of his options was to offer his partnership interests for sale. He was reminded of the preemptive rights process. Mr Perry advised he had looked at this but had decided the administration fee for selling was too expensive compared to that charged by other promoters. He was advised that the information he was giving about other promoters sale fees was incorrect and maybe he should reconsider. He then produced a page with points he wished discussed.

Mr Perry pointed out that the FMC Act did not require a procedural meeting to approve audited financial statements, and asked why a meeting had been called?

Will Dickie advised it was brought to the promoters notice after they had already sent out the reports for the 2017 meeting that Mr Perry's point was in fact correct and it was a courtesy to shareholders the meetings were being held today having advertised the fact they would be.

Mr Perry was reminded of constantly changing compliance and that sometimes changes were unable to be processed in a timely manner to satisfy all concerned.

Further to the minutes of the April meeting, Mr Perry said he did not consider it fair or appropriate to make personal attacks on a partner not present at a meeting. Mr Perry said "complaints" had ended the unfair use of undirected proxies at annual meetings, encouraged review of the failed insurance investment fund (he was reminded the fund was an Investment Fund – not Insurance Investment Fund) and brought other improvements. He invited Roger Dickie to apologise for his use of meetings and meeting minutes to attack individual partners and asked for a constructive response to partner concerns.

Roger stated that simply saying RDNZ had received many letters from Mr Perry over the years was a fact and not a personal attack Roger did not apologise but reiterated his thoughts that Mr Perry had been "a groundless campaigner" for many years.

Mr Perry thanked Roger Dickie for providing further information on the costs of preparing the new Deed of Participation. He explained that other forest managers in partnerships he belongs to paid 30 per cent of the legal costs, recognizing that benefits are shared between the managers and partners. He suggested that in the case of Dashwood the same applied and a proportion of the legal costs should be paid by RDNZ and asked for this to be looked into.

Will Dickie responded "we don't see any benefit to ourselves and the Cashflow indicated this cost was for FMA compliance."
After debating the issue with all present, Will Dickie advised he agreed to disagree and still was of the opinion that the costs should be borne by the partnership.
Mr Perry asked that his request to share compliance costs be shared, be reconsidered.

Mr Perry asked what principle RDNZ recognized for determining how costs should be allocated between partners and RDNZ when the expenditure has benefits to both parties.

Referring to Roger Dickie's explanation that there are legal complications to leasing carbon credits, Mr Perry pointed out that other forest managers have found solutions and leased their emission units with no liability risk or loss of control over their forest. This will give them in the order of $300,000, possibly more depending on when the forest is harvested. For Dashwood, such money would have been in addition to selling liability-free units.

Richard Bourne reminded Mr Perry that the partnership held $669,796 worth of carbon credits as at 28th February 2017 referring to Note 11 in the audited financial statements.

Martin Perry thanked RDNZ for their efforts to reduce compliance costs arising from the FMC Act. He informed the meeting that other forest managers were seeking to get exemption from the need to hold annual meetings and suggested that RDNZ could do this too, replaced by postal/online voting on the annual budget.

Those present, who have been attending annual meetings for many years, expressed their dismay at this suggestion. Mr Perry was advised that unlike his choice to not attend annual meetings, others did and they thoroughly enjoyed the experience of visiting their forest, being able to speak with other partners, forest managers, promoters and accountants who were all very passionate about their job.

Mr Perry asked why the new style annual report was not to be discussed at the AGM. He asked that the annual report be included on the agenda of future AGMs. Irrespective, he asked that RDNZ invested effort to improve the reporting in the report, particularly in terms of giving partners a better understanding of how well the investment is performing.

Margaret Prince reminded Mr Perry that since the first financial report of the partnership (1994) the financial statements had grown tremendously having originally been only 5 pages and now 16 pages of Financial Statements in 2017 in the main due to the Notes to the Accounts which if read, advise how the investment is performing. She reminded Mr Perry at any stage he could call and ask questions if he was unsure or needed clarification on any matter associated with his investment in Dashwood. The Forest Mangers, Promoters and Accountants were more than happy to speak with any partner at any time.

Mr Perry asked for clarification as to whether written questions submitted to the annual meeting were welcome from partners not attending the meeting, and that the managers would commit to answering as many of these questions as possible in the meeting minutes.

Richard Bourne responded sighting the 2016 AGM where all Mr Perry's questions had been presented and answered and reported in the minutes Richard also showed Mr Perry an example of what questions or comments have been received in the latest response from shareholders for these meetings today – most comments were positive and any questions were answered immediately. He reiterated, on the whole most of the more than 2500 partners were content with the way the partnership has been administered to date.

Mr Bourne asked Mr Perry "has the Statutory Supervisor (who is copied into correspondence received from Mr Perry to date) ever upheld any of your comments?"

Mr Perry was unable to advise of any such time.

Meeting closed at 11.35 am

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Chairman

Dashwood Forest Partnership 2017