

GRANITY FOREST LIMITED

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

PRESENT

Alison Joan Walsh (Christine McLeod), Christine Janet Walsh (Keith McLeod), David Winchester Fountain, Kaihoata Trust (Lorna Perry), The Alron Family Trust (Alan & Sharon Gibson), The Baker Family Trust (Fiona & Neville Baker), The Oakridge Trust (Rod & Lorraine Benning), The Tavistock Family Trust (Josh Parbhu), David Thomas.

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)

APOLOGIES AND PROXIES

Apologies were received from 49 shareholders representing 28.2% of shares and proxies were held for the same, establishing a quorum for the meeting.

Alan Gibson/Christine McLeod THAT apologies and proxies be sustained.

CARRIED

MINUTES OF THE PREVIOUS MEETING

The Minutes of the April 2017 AGM had been circulated.

Lorna Perry/Margaret Prince as Proxy for Roger Dickie Holdings Limited THAT the minutes of the previous meeting be confirmed.

CARRIED

ARISING FROM THE MINUTES

Nil

REPORTS AND FINANCIAL STATEMENTS

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

Keith McLeod/Sharon Gibson THAT the financial statements for the year ended 28 February 2018 be adopted

CARRIED

AUDITOR:

Lorna Perry/David Fountain THAT Silks, Wanganui be appointed auditors and that the Directors be authorised to fix their remuneration for the ensuing year.

CARRIED

DIRECTOR:

Alan Gibson/Fiona Baker THAT Roger Dickie be elected director.

CARRIED

Neville Baker/Joan Fountain THAT no directors remuneration be payable for the current year.

CARRIED

PUBLIC LIABILITY INSURANCE

David Fountain/Lorna Perry THAT Public Liability Insurance be effected for \$10 million.

CARRIED

ADMINISTRATION

Sharon Gibson/Keith McLeod THAT the administrators' remuneration be at a rate of \$378 (GST excl.) per month.

CARRIED

BUDGET/CASHFLOW

Lorna Perry/Alan Gibson THAT the Budget Cashflow Statement for the year to 28th February 2019 be approved. CARRIED

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

.....
Chairman
Granity Forest Limited 2018