

GRANITY FOREST LIMITED

MINUTES OF THE ANNUAL GENERAL MEETING AT THE ESKDALE RUGBY CLUB ON SUNDAY 17 APRIL 2016 AT 8.30AM

PRESENT

Roger Dickie Holdings Ltd (in attendance by Proxy Margaret Prince), Corrie den Haring & Marie Grandjonc, David Thomas & Jeanette Houston, Rod & Lorraine Benning, Sally Carlton, Dave & Raewynne Dawson.

ATTENDING

Steve Bell & Jason Osborne (Forest Management (NZ) Ltd), Jeff Whitlock & Margaret Prince (Markhams Waverley Ltd), Roger Dickie, William Dickie, Charles Dickie, Richard Bourne (Roger Dickie (NZ) Ltd), Edward Dickie (Harvest Logistics).

APOLOGIES

Apologies were received from 62 Shareholders representing 31.04% shares and proxies were held for the same.
D Thomas/ C den Haring THAT the apologies and proxies be sustained. CARRIED

MINUTES

The minutes of the 2015 Annual General Meeting had been circulated.
Roger Dickie Holdings Ltd (in attendance by Proxy Margaret Prince)/ Roger Dickie THAT the minutes be confirmed. CARRIED

ARISING FROM MINUTES

Nil

REPORTS AND FINANCIAL ACCOUNTS

The Forest Report from Roger Dickie, Forest Management (NZ) Ltd Report, Foundation Corporate Trust, PF Olsen 2016 Tree Crop Valuation, Financial Accounts for the Year Ending 29 February 2016 and the Budget Cashflow Statement year ended 28 February 2017 had been distributed prior to the meeting.

D Thomas/C den Haring THAT the audited Financial Accounts for the year ended 29 February 2016 be adopted. CARRIED

AUDITOR

R Dawson/M Grandjonc THAT Silks, Wanganui be appointed auditors and that the Directors be authorised to fix their remuneration for the ensuing year. CARRIED

DIRECTOR

Nominations were called for the position of Director of the company.
D Thomas/ C den Haring THAT Roger Dickie be elected Director. CARRIED

D Dawson/D Thomas THAT no Directors Remuneration be payable for the current year. CARRIED

INSURANCE

C den Haring/ D Thomas THAT Public Liability Insurance be effected for \$10 million. CARRIED

BUDGET

D Dawson/M Grandjonc THAT the Budget Cashflow Statement for the year to 28 February 2017 be approved.
Note: clarification of the sale of NZU's should be Term Deposit withdrawal. CARRIED

ADMINISTRATION

D Thomas/ C den Haring THAT the administrators remuneration be at a rate of \$360 (GST excl.) per month CARRIED

AFTERNOON MEETING

Compliance: Financial Markets Conduct Act (FMCA), Managed Investment Scheme (MIS) Licensing, Anti Money Laundering & Counter Financing of Terrorism Act 2009 and additional Auditing requirements.

Roger reminded partners the original Deed of Participation (DOP) needs to be updated in order to comply with the Financial Markets Conduct Act and advised that Kensington Swan Lawyers have been engaged in conjunction with the Statutory Supervisor to complete this. Their comment is that there are only minor changes required. Once completed, the amended DOP will be circulated to partners for adoption.

Roger also reminded partners that the financial statements presented this year were *draft* only. Once the financial statements are audited, they will be uploaded to the website and a meeting called. An email will be sent to partners with a resolution to approve the accounts via online voting. Roger stressed that in the unlikely event of any change from the draft accounts partners would be advised.

Client ID Requirement's: To be compliant with the AML & CFT Act 2009 RDNZ as administrators are now required to have verified ID and bank account numbers of all partners on record. This requires individual Partners, Trustees and Directors to provide a certified photo ID, for example - passport or drivers licence, complete with certified utilities bill confirming physical address and a bank statement. The document certification is to be done by a trusted referee, for example - member of police, Justice of peace, registered medical doctor, lawyer. Richard Bourne advised that this information will be gathered partnership by partnership over the next 6 months and asked that partners cooperate and respond in a timely manner.

Harvest Age: Roger advised that with the forests now commencing harvest at age 26, (as per PF Olsens comment in the annual report), he is keen to ensure that partners are fully informed about the process and planning leading up to the harvest of their forest. To this end Roger advised there will be separate meetings of those partnerships approaching the harvest planning stage, as is happening this year for 7 forests located around Napier, that were planted in 1991 /92.

Health and Safety: RDNZ and FMNZ take Health and Safety very seriously and partners can be assured that as administrators and managers we are very focused on having appropriate protocols and procedures in place, to protect all parties. The H&S policy and procedures are independently audited to ensure they are up to standard and being implemented.

Emissions Trading Scheme and Carbon Markets: Roger advised the arbitrage to secure 'Liability Free' NZUs for each partnership which has proved to be a great move resulting in no further share calls. At the time the budgets were prepared in March NZUs were trading at \$9.00 each. As at the date of today's meeting the price has lifted to \$11.50, with further upside anticipated now that the Minister has announced the two for one subsidy for emitters would defiantly be removed. *(Note NZUs \$17.50 as at July 2016)*

RDNZ Website: The website was continuing to evolve and would always be a work in progress. William Dickie commented that the Online Voting platform was working very well and thanked partners for their cooperation. The aim is to have partners use their own email as their login and set up their own passwords. This would allow partners in multiple partnerships to access all their reports etc with just one login.

Secondary Sales: There has been increased activity over the last 6 months with strong interest in securities offered on the secondary market, both from existing partners and outside parties with interest from overseas buyers in particular.

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R R Dickie

Granity Forest Ltd 2016