

HIGHGATE FOREST PARTNERSHIP

MINUTES OF ANNUAL GENERAL MEETING HELD AT WAIROA WAR MEMORIAL HALL AND THE PROPERTY ON 22nd APRIL 2018 AT 8:30AM

PRESENT

Green Box Company Limited (Val & Dean Burns & Ryan Wallace), Mansell New Zealand Limited (Steve & Lance Mansell), Roger Dickie (No 21) Limited (Margaret Prince as Proxy), Roger Dickie.

ATTENDING

Steve Bell, Rory Bennison, Nathan Wallace, 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.

Val Burns/Steve Mansell THAT Margaret Prince be appointed Chairman for this meeting.

CARRIED

APOLOGIES AND PROXIES

Alister Grant Harlow, BPC Forestry Pty Limited, Coulter & Selfe Forestry Limited, Huebner Forestry Limited, Matthew Frey & Laura Wedeen, Michelle Rosemary & David George Morrison, Ming-en International Limited, Mischler Forestry Company Limited, Peter Isaac Croft, Peter Westenra Beckett, Philip Athol Tennant, Pinevue Forest Limited, Roger Dickie (No 21) Limited, Rua-T Limited, Sagewi Limited, The Astra Family Trust, The C-H & C-C L Ho Family Trust, The C-H & C-C L Ho Family Trust, The Dowman Family Trust, Timothy John Hoyle, Trees and Reids Limited. Proxies were held for the above named, establishing a quorum for the meeting.

Steve Mansell/Val Burns THAT apologies and proxies be sustained.

CARRIED

MINUTES OF THE PREVIOUS MEETING

The Minutes of the April 2017 general meeting had been circulated.

Val Burns/Steve Mansell THAT the minutes be confirmed.

CARRIED

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 LIABILITY INSURANCE

Steve Mansell/Val Burns THAT Public Liability Insurance be effected for \$10 million.

CARRIED

ADMINISTRATION

Val Burns/Steve Mansell THAT the administrators' remuneration be at a rate of \$378 (GST excl.) per month.

CARRIED

BUDGET/CASHFLOW

Val Burns/Steve Mansell THAT the Budget Cash flow 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

Forest Report

Forest Manager Steve Bell gave an update of the forests saying the Wairoa forests are all in good health and the weather over the year has been kind with no major storm events causing any problems

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
Highgate Forest Partnership 2018