

MALTHOUSE FOREST PARTNERSHIP

MINUTES OF THE FOREST VISIT MEETING HELD AT THE WAIROA YACHT CLUB AND THE PROPERTY ON MONDAY 24th APRIL 2017 AT 8.30AM

PRESENT

Roger Dickie (No 14) Ltd (in attendance by Proxy Margaret Prince), Jane Keef & Ray Stoddart.

ATTENDING

Roger Dickie, Richard Bourne & William Dickie (Roger Dickie (N.Z) Ltd), Edward Dickie (Harvest Logistics), Steve Bell & Nathan Wallace (Forest Management (NZ) Ltd), Margaret Prince & Jeff Whitlock (Markhams Waverley Ltd).

APPOINTMENT OF CHAIRMAN

Nominations were called for the position of Chairman for this meeting.

R Stoddart/ Roger Dickie (No 14) Ltd (in attendance by Proxy Margaret Prince) THAT R Dickie be appointed Chairman for this meeting.

CARRIED

APOLOGIES & PROXIES

Apologies were received from Allardice Investments Ltd, Carli Investments Ltd, The Seaview Trust, D Sanvi, J Hendriksen, J Tricker, Lee Pee Ltd, M Gardiner, Northern Forestry Ltd, R2D2 Ltd, S Bailey.

Proxies were held for the above named, establishing a quorum for the meeting.

R Stoddart/ Roger Dickie (No 14) Ltd (in attendance by Proxy Margaret Prince) THAT the apologies and proxies be sustained.

CARRIED

MINUTES

The minutes of the 2016 Annual Meeting had been circulated.

J Keef / Roger Dickie (No 14) Ltd (in attendance by Proxy Margaret Prince) THAT the minutes be confirmed.

CARRIED

ARISING FROM MINUTES

Nil

REPORTS AND FINANCIAL ACCOUNTS

The reports from Roger Dickie, Forest Management (NZ) Ltd, PF Olsen's 2017 Tree Crop Valuation and the 2017 Draft Financial Statements were tabled and discussed.

Roger Dickie advised that the audited financial statements will be distributed at the AGM and in the unlikely event there are any changes from the draft accounts, partners will be advised.

PUBLIC LIABILITY INSURANCE

J Keef / Roger Dickie (as proxy) THAT Public Liability Insurance be effected for \$20 million.

CARRIED

ADMINISTRATION

R Stoddart/ Roger Dickie (No 14) Ltd (in attendance by Proxy Margaret Prince) THAT the administrators' remuneration be at a rate of \$370 (GST excl.) per month.

CARRIED

BUDGET

J Keef / Roger Dickie (as proxy) THAT the Budget Cashflow Statement for the year to 28th February 2018 be approved subject to any shortfall from the Investment Fund to pay the Insurance premium being covered by the sale of NZUs.

CARRIED

RESOLUTION 1

R Stoddart/ Roger Dickie (as proxy) THAT the Manager have authority to sell liability free New Zealand Units as deemed appropriate.

CARRIED

RESOLUTION 2

J Keef / Roger Dickie (as proxy) THAT funds earned from the sale of NZUs be held in an interest bearing account and be used to meet future partnership operating expenses as required.

CARRIED

GENERAL BUSINESS

ETS

Roger spoke in regard to the ETS saying NZU’s were currently trading around the \$17 mark. He said no one knows what the future may bring and as per the resolutions presented he believes it prudent to sell additional NZU’s. Of all the partners in the group only 3 had voted against the resolutions. Roger commented the market is quite thin and the NZU’s would take time to sell. The strategy will be to drip feed into the market in parcels and pro rata between the partnerships.

Cyclone Cook

Roger advised that there had been some limited damage in a few of the forests around Napier and they will be making an insurance claim. He continued, over all, we had been very lucky that the cyclone tracked faster and further east than originally forecast and the severe winds had not lasted long.

Post Harvest

With more and more forests approaching harvest Richard advised there will be another ‘Harvest and Beyond’ conference held in Napier on October 28th. An often asked question is, “What happens after harvest”? and this will be covered at the conference. However he confirmed that the land will be replanted to maintain the asset value. Richard advised a scenario that is finding favour with many is to pre-fund the next rotation so there are no further inputs required. This would allow partners to leave a totally unencumbered fully funded legacy to their beneficiaries. Those wanting to exit could offer their share to those who are keen to continue or on the secondary market.

If on the other hand the majority vote to sell the newly planted forest, then with pre-funding the forest is funded until such time as a buyer can be found.

Meeting closed.

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Chairman
Malthouse Forest Partnership