

PORTOBELLO FOREST PARTNERSHIP

MINUTES OF THE FOREST VISIT MEETING HELD AT THE PATUTAHU COMMUNITY HALL & PORTOBELLO PROPERTY ON SUNDAY 23rd APRIL 2017 AT 8.30 AM

PRESENT

Roger Dickie (No 19) Ltd (in attendance by Proxy Margaret Prince) B & B Gowenlock, B & M Warwick, J & S Harvie, D Rutledge, S, F & R Birss.

ATTENDING

Roger Dickie, Richard Bourne & William Dickie (Roger Dickie (N.Z) Ltd), Edward Dickie (Harvest Logistics), 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.

J Harvie / B Warwick THAT William Dickie be appointed Chairman for this meeting.

CARRIED

APOLOGIES & PROXIES

Apologies were received from C & P Cooper, C Bain, C Slater, G Clarke, Jed G Limited, J Bampfylde, Lee Pee Ltd, Lyall Investments Ltd, Radiata Technologies Ltd, R Young, S Browne, Wallop Portobello Ltd & W Hewitt.

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

B Gowenlock / J Harvie THAT the apologies and proxies be sustained.

CARRIED

MINUTES

The minutes of the 2016 General Meeting had been circulated.

D Rutledge / B Gowenlock 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

S Birss / B Warwick THAT Public Liability Insurance be effected for \$10 million.

CARRIED

ADMINISTRATION

B Gowenlock / S Warwick THAT the Managers' remuneration be at a rate of \$370 (GST excl.) per month.

CARRIED

BUDGET

S Warwick / B Gowenlock 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

B Gowenlock / S Warwick THAT the Manager have authority to sell liability free New Zealand Units as deemed appropriate.

CARRIED

RESOLUTION 2

B Warwick / J Harvie 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 NZUs were currently trading around the \$17 mark. He said no one knows what the future may bring and as per the resolutions presented believes it prudent to sell additional NZUs. Of all the partners in the group only 3 had voted against the resolutions. Roger commented the market is quite thin and the NZUs would take time to sell. The strategy will be to drip feed into the market in parcels and prorate 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 prefund 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 prefunding the forest is funded until such time as a buyer can be found.

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Chairman
Portobello Forest Partnership 2017