WAIKARE FOREST PARTNERSHIP

MINUTES OF THE ANNUAL GENERAL MEETING HELD AT ASHLEY PARK COMPLEX WAITOTARA & THE FOREST PROPERTY ON FRIDAY 12th May 2017 at 10.00AM

PRESENT
Roger Dickie (No 1) Limited (in attendance by Proxy Margaret Prince), Graham Adams, Danny Hughes, Alan Reid, Huib Selderbeek and Helen Andrews, Murray Higgs.

ATTENDING
William Dickie, Richard Bourne and Deb Munro (Roger Dickie (N.Z.) Limited) Sally Sisson, Jason Osborne (FMNZ) Jeff Whitlock & Margaret Prince (Markhams Waverley Ltd) Edward Dickie (Harvest Logistics).

APPOINTMENT OF CHAIRMAN
Nominations were called for the position of Chairman for this meeting.
M Higgs/G Adams THAT Richard Bourne be appointed Chairman for this meeting. CARRIED

APOLOGIES
Apologies were received from A Piercy, A Long, The Formax Trust, Holyoake Industries Ltd, J Willis, J Scott, J Patience, M Dickie, M Farag, Pakurakai Forest Limited, P Drummond, RW & SF Gardiner Limited, S J Wakefield, U Reymann.
Proxies were held for the above named, establishing a quorum for the meeting.
A Reid/M Higgs THAT apologises be sustained. CARRIED

MINUTES
The minutes of the 2016 Annual General Meeting had been circulated.
G Adams/M Higgs THAT the minutes be confirmed. CARRIED

ARISING FROM MINUTES
Nil

REPORTS AND FINANCIAL ACCOUNTS
The Forest Report from Roger Dickie, Forest Management (NZ) Ltd Harvest Reports, PF Olsen 2017 Tree Crop Valuation, Financial Accounts for the Year Ending 28 February 2017 and the Budget Cashflow Statement year ended 28 February 2018 had been distributed prior to the meeting.

G Adams/A Reid THAT the Financial Accounts for the year ended 28 February 2017 be adopted CARRIED

INSURANCE
D Hughes/H Selderbeek THAT Public Liability Insurance be effected for $10 million. CARRIED

ADMINISTRATION
M Higgs/A Reid THAT the administrators' remuneration be at a rate of $370 (GST excl.) per month.
CARRIED

BUDGET
M Higgs/G Adams THAT the Budget Cashflow Statement for the 6 month period to 31 August 2017 be approved.
CARRIED

GENERAL BUSINESS

Post harvest options:

Richard Bourne drew attention to Roger's letter sent prior to the meeting. The two options are to sell the newly planted forest or as discussed last year continue for another rotation, with prefunding.

William Dickie presented a draft spreadsheet complete with notes for the next rotation (see attached)

In summary, prefunding the next rotation will require retaining harvest income of approximately $1,800 per ha. The partnership also holds 16,671 liability free NZUs The sale of these (estimated value is $280,000) is factored into the funding calculation.

Following discussion regarding the NZUs held it was
Moved Murray Higgs/Alan Reid
"That a resolution to sell the NZUs for not less than $15.00 be put to the partners with cash realised being retained within the partnership." *(note: a resolution to this effect will be circulated)*

CARRIED

There was discussion around inflation rate of costs and revenue and interest rate on the term deposit of retained funds. William explained the model has inflation at 2.2% and interest on the term deposit at 3.35% pa. William advised the spreadsheet presented will be sent to P F Olsen for peer review and validation.

In answer to a question regarding a possible sale, Richard advised it would likely take time to find a buyer and the prefunding concept would ensure the forest was well maintained until a buyer could be found. Murray Higgs commented that if the partners voted to sell it may be best to wait until the new forest is well established.

Huib Selderbeek asked how shares would be valued for a partner that wanted to sell. Richard commented that value would be estimated using QV land value, newly planted tree crop plus cash on hand. However, the reality is market sentiment will determine the price - i.e. buyer and seller agreeing on a price.

Following the discussions the majority of those present indicated support for the prefunding concept.

Richard advised that the draft spreadsheet presented will be circulated to all partners and a meeting called to vote on the future of Waikare Forest Partnership.

Other topics:

Richard advised that the forest visits and meetings of the East Coast forests had gone well with all voting to sell up to 50% of their Liability Free NZUs.

Cyclone Cook

Richard advised that there had been some damage to a few of the forests around Napier and those forests will be making an insurance claim. Overall the group was very lucky. The Cyclone had tracked further East than originally forecast and had also gone through quite quickly thus restricting damage to just a few forests.

Vote of thanks:

Graham Adams/Murray Higgs moved a vote of thanks to FMNZ and RDNZ for the excellent reporting and work they were doing on behalf of the partners – carried

Meeting closed at 2:50pm

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Chairman
Waikare Forest Partnership