WINDERMERE FOREST PARTNERSHIP

MINUTES OF ANNUAL GENERAL MEETING
HELD AT WAIROA YACHT CLUB, WAIROA AND THE PROPERTY
ON 22nd APRIL 2018 AT 8:30AM

PRESENT
Bill McKenzie, Roger Dickie (No 13) Limited (Margaret Prince as Proxy), Wallace Forests Limited (Marilyn Wallace).

ATTENDING
Steve Bell, Rory Bennison, Nathan Wallace, Richard Airey (Forest Management (NZ) Limited), Roger Dickie, Will Dickie, Richard Bourne, Grant Morris (Roger Dickie (NZ) Limited), Jeff Whitlock, Margaret Prince (Moore Stephens Markhams Waverley)

APPOINTMENT OF CHAIRMAN
Nominations were called for the position of Chairman for this meeting.
Marilyn Wallace / Roger Dickie THAT Bill McKenzie be appointed Chairman for this meeting.

CARRIED

APOLOGIES AND PROXIES
Balderstone Forestry Limited, Bridget Mary Gould, Capacino Investments Limited, Dashwood Green Company Limited, G A and J Dixon Forests Limited, Heinz-Dietmar Seitz, Howard Williams, J L Black Investments Limited, Jackman Windermere Forestry Investments Limited, Jeremy William Gould, John Hickling, Kelvin John Mehrtens, Kirsty Higgs, Kiwi Lumberjack Limited, L Walton Forestry Limited, Nancy McIntosh, Norddal Forestry Limited, Osborn Forests Limited, Peter J Sutcliffe, Peter Lawrence & Alma Eileen Wakelin, Roger Dickie (No 13) Limited, Roger Wakelin.

Bill McKenzie / Marilyn Wallace THAT apologies and proxies be sustained.

CARRIED

MINUTES OF THE PREVIOUS MEETING
The Minutes of the April 2017 AGM had been circulated.
Bill McKenzie / Marilyn Wallace THAT the minutes of the previous meeting be approved.

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 LIABILTY INSURANCE
Bill McKenzie / Marilyn Wallace THAT Public Liability Insurance be affected for $10 million.

CARRIED

ADMINISTRATION
Marilyn Wallace/Bill McKenzie THAT the administrators' remuneration be at a rate of $378 (GST excl.) per month.

CARRIED

BUDGET/CASHFLOW
Bill McKenzie /Marilyn Wallace THAT the Budget Cashflow 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

Harvest Planning
Steve Bell of FMNZ discussed the upcoming harvest of Windermere, currently managed by P F Olsen, with those present. Steve pointed out that FMNZ has staff based in Gisborne and manage 8,000ha of RDNZ forests in the area. Given the economy of scale achieved by the group, it was suggested there would be advantages for Windermere to have their harvest managed by FMNZ.

Roger Dickie said it is the intention of the managers RDNZ to contract FMNZ to harvest and replant the Windermere Forest. The reason for this is to take advantage of the synergies with our other forests (25,000 ha) harvesting on the East Coast over the coming decade.

Steve advised that the forest will need to be flown for LIDAR (Light Detecting and Ranging) capture to get a foot print of the tree crop and topography to commence the planning process. This would allow for a possible start to be made on initial roadlining next summer.
Note: a full harvest planning presentation is on the Windermere pages of the RDNZ Website

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.

Bill McKenzie continues to visit the forest regularly throughout the year and had caught 2 groups of poachers.
MEETING CLOSED: 3:00pm

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Chairman
Windermere Forest Partnership 2018