WINDSOR FOREST PARTNERSHIP

MINUTES OF ANNUAL GENERAL MEETING HELD AT PATUTAHI HALL AND THE PROPERTY ON 21ST APRIL 2018 AT 8:30AM

PRESENT
Matuku Forestry Holdings Limited (David Saxton), Roger Dickie (No 27) Limited (Margaret Prince as Proxy), Roger Dickie, William Martin Family Limited Partnership (Ulla Hogg).

ATTENDING
Nathan Wallace, Daniel Murdie (Forest Management (NZ) Limited), Will Dickie, Richard Bourne, Grant Morris (Roger Dickie (NZ) Limited), Ted Dickie (Harvest Logistics Limited). Jeff Whitlock, Margaret Prince (Moore Stephens Markham's Waverley)

APPOINTMENT OF CHAIRMAN
Nominations were called for the position of Chairman for this meeting.
David Saxton/Ulla Hogg THAT Margaret Prince be appointed Chairman for this meeting.

CARRIED

APOLOGIES AND PROXIES
Amanda Jane Wells, Asamar Limited, Bernd Eric Unger, Betsy Holdings Limited, Brazier Holdings Limited, Bruce Edgar Middleton and Nicola Mary Legat, Charleston Investments Limited, Cintam Enterprises Limited, Claus and Constantin Germann, David Charles Wilkinson, Dianne Joyce O'Brien, Geoffrey Thomas Wells, Graham Nicholas & Michelle Ann Codyre, Heatherdean Investments Limited, Jan Werner Thomann, Jean-Christophe Sablon, Kevin Peter Ogilvie, Linda Rose Timms, Paul Timms, Peter Hugentobler, Rainbow Futures Limited, Richard E. Werner, Richard James Archibald Bull, Richard John Neutze, Rukhsana Shaukat and Faraz Shaukat, Sienna Investments Limited, Stephen Charles Pople, Stuart Graeme and Esme Elizabeth Alpe, Tim Rathbun, William James Lavelle, Yvonne Gruendler, Zingel Quail Ridge Limited. Proxies were held for the above named, establishing a quorum for the meeting.
Ulla Hogg/David Saxton THAT apologies and proxies be sustained.

CARRIED

MINUTES OF THE PREVIOUS MEETING
The Minutes of the April 2017 general meeting had been circulated.
David Saxton/Ulla Hogg 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 LIABILTY INSURANCE
Ulla Hogg/David Saxton THAT Public Liability Insurance be effected for $10 million.

CARRIED

ADMINISTRATION
David Saxton/Ulla Hogg THAT the administrators' remuneration be at a rate of $378 (GST excl.) per month.

CARRIED

BUDGET/CASHFLOW
Ulla Hogg/David Saxton THAT the Budget Cashflow Statement for the year to 28th February 2019 be approved. <u>CARRIED</u>

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
It was noted by those present that the road from Te Karaka is in an appalling condition. It was suggested that the Council be advised of the inadequacy.

A question was asked about the harvest of the older trees
Note: *FMNZ had addressed this a few years ago. To harvest the older trees would require removal of younger main crop trees for roadlining and this would be detrimental. Once the main crop trees are of a harvestable age, harvest of the older trees would be reviewed and this is likely to be at the time of roadlining for the main harvest*

Forest Report
Forest Manager Nathan Wallace gave an update of the forests saying the Gisborne 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
Windsor Forest Partnership 2018