

**SILVERWOOD FOREST CORPORATION LIMITED**  
(the "Company")

**BOARD RESOLUTION**

**Board resolution in writing passed in accordance with clause 11.7 of the Company's constitution**

**INTRODUCTION**

**Transition process**

- A. The Company is the general partner of the special partnership known as Silverwood Forest Corporation Limited & Company – Land Partnership (the "**Special Partnership**") which was formed under Part 2 of the Partnership Act 1908. Under Part 2 of the Partnership Act 1908, a special partnership had a finite life of not more than 7 years, but any such special partnership could be rolled over (renewed) at the end of that period.
- B. Part 2 of the Partnership Act was repealed by the Limited Partnerships Act 2008 – with the objective of establishing a modern regulatory regime for limited partnerships.
- C. The transitional provisions in the Limited Partnerships Act provide that Part 2 of the Partnership Act continues to apply to a special partnership in existence on the commencement of the Limited Partnerships Act as if Part 2 had not been repealed, except that a special partnership must not be renewed (rolled over).
- D. There is little by way of transitional machinery in the Limited Partnerships Act itself. In practice, the transition is achieved by the transfer of the assets and associated contracts (and other rights and obligations of a special partnership) to a new limited partnership as a successor.
- E. The Board has concluded that for a number of practical reasons, including the need to secure the Securities Act exemption described below, it was preferable to seek to transition a number of special partnerships that are under the same management and which have the same statutory supervisor at the same time.
- F. The proposed sequence of process steps to be undertaken to transition from the Special Partnership to a (successor) limited partnership, called Silverwood Land 2015 Limited Partnership (the "**Limited Partnership**") is:
  - a. **Step 1:** Formation of the Limited Partnership - with a nominal initial capital.
  - b. **Step 2:** Transfer of the business and assets– the assets (primarily comprised of both the forest and the land on which the forest is planted) and associated contracts, rights and obligations of the Special Partnership are, with the approval of special partners, to be transferred at their existing carrying values, as disclosed in the financial statements to the Limited Partnership in consideration for limited partner units in the Limited Partnership.
  - c. **Step 3:** Dissolution of the Special Partnership – the Special Partnership will be dissolved and its remaining assets (being limited partner units in the Limited

Partnership) will be transferred to the special partners. This transfer is on the basis that the business and ownership of the Limited Partnership will, after this final step in the transition process, remain the same and thereby meet the requirements of the Taxation (Limited Partnerships) Act 2008.

For ease of administration, the Company is acting as the general partner of the Limited Partnership – so that there will be continuity of the public face of the forest activities and the ongoing relationships with investors, contractors and other internal and external stakeholders.

#### Securities Act exemption

- G. As noted above, the Limited Partnerships Act does not provide an extensive transition mechanism for existing special partnerships wishing to transition to become a limited partnership. The steps to achieve the transition that are outlined above will involve an “offer” of units in the Limited Partnership to the special partners of the Special Partnership that would be likely to be subject to the (prospectus and investment statement) disclosure regime under the Securities Act 1978.
- H. As a result, it has been necessary to apply to the Financial Markets Authority (“FMA”) for an exemption from the prospectus and the investment statement disclosure requirements of the Securities Act for the distribution of limited partner interests (units) that will be made to unit holders in the Special Partnership.
- I. The FMA has indicated that it is prepared to grant that exemption because the recipients of the “offer” are (exclusively) the existing investors in the Special Partnership. It is expected that the FMA will grant the exemption prior to the date of the Special General Meeting on 31 March 2015. Consequently, recognising that the existing investors must now evaluate the proposed transition of their investment into the Limited Partnership, the exemption is expected to be granted on terms that:
  - a. require investors to receive material information with the notice of meeting to vote on the proposed transition to the Limited Partnership to enable them to make an informed decision; and
  - b. contemplates that a statutory supervisor will be appointed in relation to the Limited Partnership to act in the interests of the limited partners - to protect investors' interests and property rights.
- J. The sale of the Special Partnership's business and assets is conditional on:
  - a. approval by special partners of the Vendor at a Special General Meeting to be held on or about 31 March 2015 - on the basis described in the notice of meeting and accompanying Information Memorandum in the form **attached**, which requires provides that



"That for the purposes of facilitating the transition of the special partnership to become a limited partnership under the Limited Partnerships Act 2008, the transfer by the special partnership of all of its assets and associated contracts, rights and obligations to Silverwood Land 2015 Limited Partnership which has been formed as the successor to the special partnership, and the subsequent dissolution of the special partnership and the transfer of its remaining assets (being limited partner units in Silverwood Land 2015 Limited Partnership issued in satisfaction of the transfer value of the special partnership's assets and associated contracts, rights and obligations) to the special partners on terms and conditions that are substantially the same as described in the attached Information Memorandum, be approved."

- b. the Limited Partnership (as the Purchaser) being able to issue limited partner units in satisfaction of the consideration for the transfer of the business and assets of the Special Partnership; and
- c. approval by Covenant Trustee Services Limited (as the statutory supervisor of both the Special Partnership and the Limited Partnership).

#### Interim management and back-to-back subcontracting

- K. Arbor Management Limited (the "**Manager**") has agreed, on an interim basis until 30 June 2015 or such later date as may be agreed between the parties in order to complete the transfer to the Limited Partnership, to provide certain ongoing management services to the Limited Partnership on the terms and conditions of a Management Services Agreement.
- L. Wholesale Products Trading Limited (the "**Management Subcontractor**") has agreed to perform all (or substantially all) of those services on the same terms and conditions – under a back-to-back subcontracting arrangement whereby all of the provisions of the Management Services Agreement will have back-to-back application to the Management Subcontractor.
- M. In addition, each of Peter Bould and Peter Tiedemann as directors of the Company, is "interested" (as that term is defined in the Companies Act 1993) in the proposed transition process, by virtue of their respective roles with:
  - a. the Manager – as the interim manager of the Limited Partnership; or
  - b. the Management Subcontractor,

on the basis described above. It is contemplated that the Manager will continue in that role on behalf of the Limited Partnership as well as take on a handful of further, mostly minor, administrative and management tasks.

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#### DISCLOSURE OF INTEREST

Each of Peter Bradney Bould and Peter Tiedemann notes his interest in the above transactions and directs that his interest be noted in the Company's interests register in accordance with the Companies Act 1993.

## RESOLVED

The following matters were resolved as a resolution in writing:

1. That subject to obtaining the approval of the special partners on the basis described in the notice of Special General Meeting and accompanying Information Memorandum, the Company enter into, execute, deliver and perform its obligations under the following transaction documents:

- a. The Limited Partnership Agreement, governing the operation of the limited partnership, between:

- i. the Company (as the general partner);
- ii. Arbor Management Limited (as the initial limited partner – pending the completion of the transition process and the distribution of limited part units on the basis described above); and
- iii. the Limited Partnership,

in the form **attached**.

- b. The Deed of Participation, governing the appointment of the statutory supervisor of the Limited Partnership for the purposes of the Securities Act, between:

- i. the Company (as general partner);
- ii. the Limited Partnership; and
- iii. Covenant Trustee Services Limited as the statutory supervisor,

in the form **attached**.

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- c. The Sale and Purchase Agreement, recording the transfer of the business and assets of the Special Partnership to the Limited Partnership as a going concern, between:

- i. Vendor - the Company (as general partner of the Special Partnership);
- ii. Purchaser - the Company (as general partner of the Limited Partnership); and
- iii. the Limited Partnership,

in the form **attached**.

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- d. The Management Services Agreement, recording the terms on which the Manager has agreed to provide certain ongoing management services to the Limited Partnership, between:

- i. the Company (as general partner); and
- ii. Arbor Management Limited,

in the form **attached**.

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- e. The Back-to-Back Subcontractor Agreement, recording the terms on which the Management Subcontractor has agreed to provide the management services to be

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provided by the Manager under the Management Services Agreement 9 on a back-to-back basis), between:

- i. the Manager; and
- ii. the Management Subcontractor,

in the form **attached**.

f. any deeds, instruments, agreements, undertakings and other written documents (the "**Ancillary Documents**") as may be contemplated by, or necessary or expedient in connection with the transactions evidenced by the transition documents and the entry by the Company into the matters contemplated by the above matters, in such form and with such amendments as the directors may approve (with execution by or on behalf of the Company to be conclusive evidence of such approval); and

g. any requests, notices or other communications (the "**Notices**") as may be contemplated by, or necessary or expedient under or in connection with the transactions evidenced by the transaction documents and/or any of the Ancillary Documents in such form and with such amendments as the directors may approve (with execution by or on behalf of the Company to be conclusive evidence of such approval).

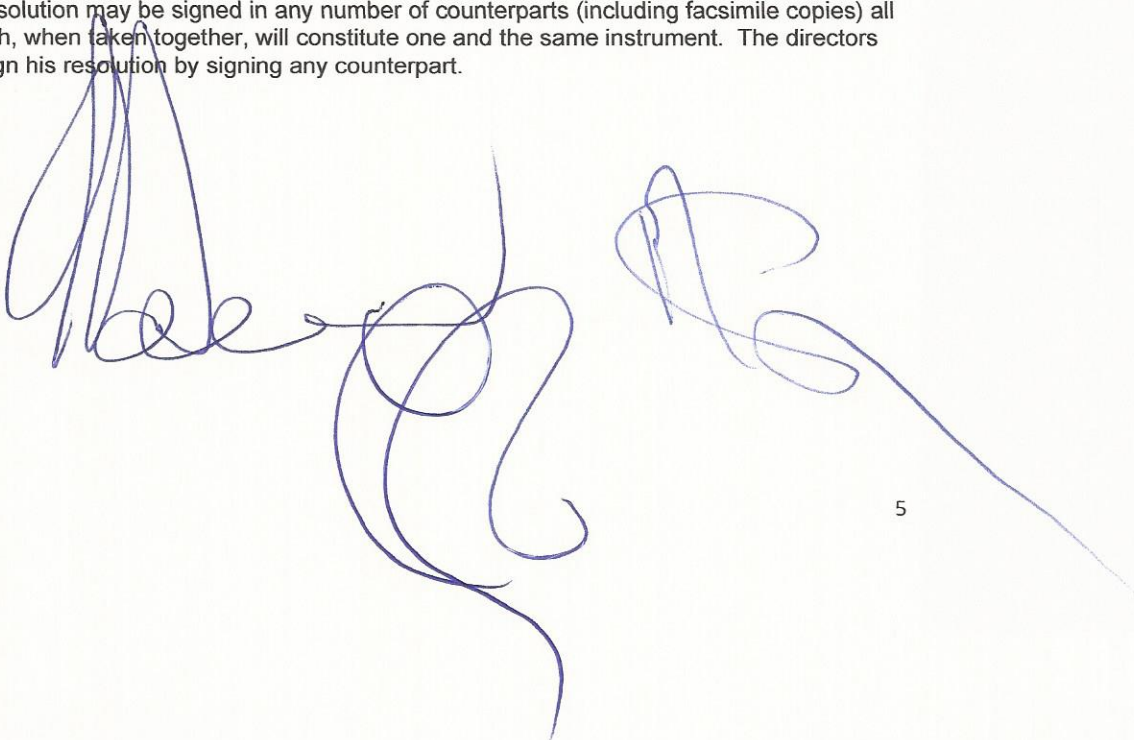
2. Any two directors (or their alternates or their agents as the case may be) be and is hereby authorised to:

- a. enter into and deliver on behalf of the Company with the transactions evidenced by the transaction documents, the Ancillary Documents and/or the Notices; and
- b. take such actions on behalf of the Company as may be necessary or expedient under or in connection with the transaction documents, any Ancillary Documents, any Notices and/or the transactions evidenced or contemplated thereby.

3. This resolution may be signed in any number of counterparts (including facsimile copies) all of which, when taken together, will constitute one and the same instrument. The directors may sign his resolution by signing any counterpart.

DATED

SIGNED

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 Director's signature Peter Bradney Bould	 Director's signature Eoin Malcolm Miller Johnson
 Director's signature Anthony Sydney Loveday	 Director's signature Peter Tiedemann

(being all the directors)