

# APPENDIX 8

## TERMS OF DEED OF PARTICIPATION

### INDEX

#### PARTIES

#### RECITALS

#### DEFINITIONS AND INTERPRETATION

##### 1. Definitions and Interpretation

#### OBJECTS

##### 2. Objects

#### PARTNERSHIP

##### 3. Formation of Partnership

##### 4. Partnership Business

##### 5. Partnership Structure

##### 6. Payment of Debts

##### 7. Ownership of the Assets

##### 8. Meetings

##### 9. Default and Forfeiture

##### 10. Dissolution of Partnership

#### MANAGER

##### 11. Manager

##### 12. Powers of Manager

##### 13. Obligations of Manager

##### 14. Manager's Remuneration

##### 15. Retirement or Removal of the Manager

#### STATUTORY SUPERVISOR

##### 16. Statutory Supervisor

##### 17. Removal of Statutory Supervisor

#### FINANCIAL AUDITOR

##### 18. Financial Auditor

#### FORESTRY AUDITOR

##### 19. Forestry Auditor

#### GENERAL

##### 20. Amendment of Deed

##### 21. Notices

##### 22. Arbitration

#### SCHEDULES

<b>First Schedule:</b>	<b>List of Partners</b>
<b>Second Schedule:</b>	<b>Description of the Land</b>
<b>Third Schedule:</b>	<b>Rules for Convening and Conducting Meetings</b>

#### DEED OF PARTICIPATION

#### PARTIES

- FOREST ENTERPRISES LIMITED**, a duly incorporated company having its registered office at Masterton ("the Manager")
- THE TRUSTEES EXECUTORS AND AGENCY COMPANY OF NEW ZEALAND LIMITED (trading as TOWER Trust)**, a duly incorporated company having its registered office at Wellington ("the Statutory Supervisor")
- THOSE COMPANIES** set out in the First Schedule (each such company being called a "Partner")

#### RECITALS

- The Partners wish to establish a pinus radiata forest on the land to be owned by the Partners described in the Second Schedule ("the Land"). The Partners shall plant, maintain and harvest a pinus radiata forest on the Land.
- Each Partner shall hold an interest in the Partnership equivalent to their respective pro rata contributions to the

Partnership venture. Such interests of the Partners shall be set out in the First Schedule.

- This deed provides for the Manager to be employed by the Partnership to manage the business of the Partnership established by this deed.
- The Partners have appointed the Statutory Supervisor to oversee the activities of the Partnership.

**THIS DEED WITNESSES as follows:**

#### DEFINITIONS AND INTERPRETATION

##### 1. DEFINITIONS AND INTERPRETATION

In this deed unless the context otherwise requires:

- "Financial Auditor"** means Martin Jarvie P.K.F., Chartered Accountants, or such other qualified auditor appointed as the auditor of the Partnership in accordance with clause 18.1 of this deed;
- "Commencement Date"** means 30 March 2001 or such later date on which the Manager may allot Working Interests to the Partners;
- "Companies"** means any of the companies listed in the First Schedule;
- "Default Rate"** means such rate of interest which is 5% p.a. above the then current rate of interest that would be payable by the Partnership on any unauthorised overdraft banking accommodation extended to the Partnership by its bankers at such time;
- "Financial Year"** means the financial year of the Partnership ending 31 March;
- "Forest Produce"** means any saleable produce arising from the Trees on the Land and includes standing Timber, felled Timber, windthrown Timber and any thinnings or other salvageable material which may have commercial value;
- "Forestry Auditor"** means Forme Consulting Group Limited, or such other person as may be appointed as the "Forestry Auditor" by the Manager in accordance with clause 19.1 of this deed;
- "Land"** means that land described in and shown shaded on the map in the Second Schedule;
- "Manager"** means Forest Enterprises Limited or such other person as may from time to time be appointed as the manager of the Partnership as provided in clause 15.2 of this deed;
- "Partner"** means any one of the Companies who becomes a partner in the Partnership upon allotment of a Working Interest;
- "Partnership"** means the Baywood Forest Partnership formed and constituted by the Partners pursuant to this deed;
- "Plan"** means the plan for planting, tending, maintaining, managing, harvesting Trees on the Land and carrying away any Forest Produce set out in the Prospectus as such plan may be varied from time to time in accordance with this deed;
- "Prospectus"** means the Prospectus to be issued in respect of the offer of shares in the Companies;
- "Shareholder"** means any person who is registered as a shareholder of any one of the Companies;
- "Statutory Supervisor"** means The Trustees Executors and Agency Company of New Zealand Limited (trading as TOWER Trust) or such other person as may be appointed as the Statutory Supervisor of the Partnership in accordance with clause 17.3;
- "Timber"** means timber produced from Trees on the Land and where the context requires includes those Trees themselves;
- "Trees"** means pinus radiata trees;
- "Unit"** means the voting interest in the Partnership being the ratio of 1 to the total number of partners in the Partnership x 1000;
- "Working Interest"** means the pro rata interest or share of a Partner in the capital of the Partnership as calculated in accordance with clause 5.1;

# APPENDIX 8

## TERMS OF DEED OF PARTICIPATION

- 1.20 **Headings:** clause and other headings are for ease of reference only and shall not be deemed to form any part of the context or to affect the interpretation of this deed;
- 1.21 **Plural and Singular:** words importing the singular number shall include the plural and vice versa;
- 1.22 **Schedules:** all schedules to this deed and the provisions and conditions contained in such schedules shall have the same effect as if set out in the body of this deed;
- 1.23 **Negative Obligations:** any obligation not to do anything shall be deemed to include an obligation not to suffer, permit or cause that thing to be done;
- 1.24 **Statutes and Regulations:** references to any statutory provision includes any statutory provision which amends or replaces it, and any subordinate legislation made under it;
- 1.25 **Sums Payable:** any sums required to be paid by any Party under this deed shall be paid in New Zealand dollars and shall be deemed not to have been paid until they have been received by the person to whom such sums are payable in cleared funds immediately available for disbursement.
- 1.26 **Working Days:** reference to a working day means any day of the week other than Saturday, Sunday or a statutory holiday or any day in the period commencing 24 December and ending with 5 January in the following year.

### OBJECTS

#### 2. OBJECTS

Upon becoming a Party to this deed each Partner will be deemed to have confirmed its agreement to participate as a partner in the partnership formed and constituted pursuant to this deed for the purpose of establishing, maintaining, managing and harvesting of Trees on the Land in accordance with the Plan and otherwise on the terms and conditions set out in this deed.

### PARTNERSHIP

#### 3. FORMATION OF PARTNERSHIP

- 3.1 **Partnership:** Upon allotment of a Working Interest to a Partner such Partner will be deemed to have entered into a partnership with every other Partner to this deed.
- 3.2 **Terms of Partnership in this Deed:** The terms of the Partnership, the contractual relationship between the Partners inter se and between the Partnership and the Manager shall be as set out in this deed.
- 3.3 **Authority to Bind Other Partners:** No Partner (except the Manager, if the Manager is also a Partner, acting in its capacity as the Manager) shall have power or authority (express or implied) to bind the Partnership or any other Partner or to act as agent, employee or servant of the Partnership or of any other Partner or to incur any obligation or otherwise pledge the credit of the Partnership or of any other Partner, except as expressly provided in this deed.
- 3.4 **Term:** The Partnership shall be deemed to have commenced on the Commencement Date and shall continue until the date fixed for dissolution of the Partnership by any special resolution which may be passed by the Partners.
- 3.5 For the purposes of clause 2(3) of the Sixth Schedule of the Securities Regulations, all participatory securities must be allotted on the Commencement Date.

#### 4. PARTNERSHIP BUSINESS

- 4.1 **Business of the Partnership:** The business of the Partnership shall be the establishment, maintenance, management and harvesting of Trees on the Land in accordance with the Plan.
- 4.2 **Powers of the Partnership:** For the purpose of such business the Partnership may purchase, lease, take on hire or by any other means acquire any real or personal property whether freehold or leasehold and any rights, privileges or easements over and in respect of any such property and to sell and dispose of the same in such manner and subject to such terms and conditions as the Partnership shall deem fit and without limiting the generality of this clause to acquire shares issued by any company, perform any silvicultural

activity, build or construct any track, road, bridge, culvert, cableway, skid or other work or facility or otherwise deal with or dispose of any plant, equipment, machinery or tools or products owned or held by the Partnership, enter into any contracts, agreements or arrangements for the purpose of carrying out the business of the Partnership and to borrow upon the security of any real or personal property held by the Partnership at such rates of interest and on such terms and conditions as the Partnership may think fit.

- 4.3 **Variation of the Plan:** Subject to the proviso to this clause if during the term of this deed the Manager shall be of the reasonable opinion that it may be to the commercial advantage of the Partnership to vary the Plan or that any variation of the Plan is necessary or desirable to protect the interests of the Partnership then the Manager may establish, maintain, manage and harvest the Trees on the Land in accordance with the Plan as so varied provided the Manager first:

- (a) obtains an opinion in writing from the Forestry Auditor that the variation to the Plan may be reasonably regarded as being to the commercial advantage of the Partnership or reasonably necessary or desirable to protect the interests of the Partnership; and
- (b) wherever practicable the Manager should give at least 20 working days' prior notice in writing to each of the Partners and every Shareholder of any intended variation of the Plan together with a copy of the Forestry Auditor's opinion in respect thereof
- PROVIDED THAT** it shall not be necessary to give prior notice to the Partners and Shareholders of any variation of the Plan in an emergency requiring prompt action by the Manager to protect the interests of the Partnership; and
- PROVIDED THAT** no variation to the Plan shall be made if such variation would increase to any material extent the likely contributions to be made by the Partners above the projected contributions set out in the Prospectus unless such variation is first sanctioned by a special resolution of the Partners.

#### 5. PARTNERSHIP STRUCTURE

- 5.1 **Capital:** Subject to any redefinition of Partners interests in accordance with clause 9.6, the capital of the Partnership shall be divided into shares to be allocated in proportions equal to the respective pro rata contributions of each of the Partners. Initially each Partner will hold 1,000 shares, being  $1/y$ th of the total share capital of  $y \times 1,000$  shares (where  $y$  denotes the total number of partners in the partnership). The shares in the capital of the Partnership shall be referred to as "Units" and the Units held by each Partner shall be referred to as that Partner's "Working Interest". Each Partner shall be required to make any contributions to the capital of the Partnership required under this deed in direct proportion to the Working Interest share held by the Partner in the Partnership pursuant to this deed at such times as may be determined by the Manager.
- 5.2 **Partners Contributions:** Each Partner shall make such additional future contributions to the capital of the Partnership as the Manager may from time to time determine as being appropriate and prudent for the further development and management of the Partnership's business in accordance with the Plan or necessary to preserve or promote the best interests of the Partnership.
- 5.3 **Payment to Statutory Supervisor:** Each Partner shall forward any future contributions to the capital of the Partnership which are required to be made by such Partner to the offices of the Statutory Supervisor which shall hold the contributions in trust for the Partnership in an interest bearing account in accordance with clause 12.1(d).
- 5.4 **Disbursement of Funds:** The Statutory Supervisor shall transfer from time to time moneys held on behalf of the Partnership to the bank account operated in terms of clause 12.1(d) to meet authorised expenditure.

## APPENDIX 8

# TERMS OF DEED OF PARTICIPATION

- 5.5 **No Withdrawal of Capital:** No Partner shall during the continuance of the Partnership be entitled to withdraw or receive back all or any share of the capital of the Partnership except as expressly provided in this deed.
- 5.6 **Joint and Several Liability:** The Partners shall be jointly and severally liable for all Partnership debts except if a creditor has specifically agreed otherwise.
- 5.7 **Expenses of Partnership:** Each Partner shall bear the expenses and damages incidental to the affairs of the Partnership in proportion to the Working Interest held by such Partner.
- 5.8 **Losses:** The Partners shall bear all losses in respect of the business of the Partnership including losses of capital (on dissolution or otherwise) in proportion to their respective Working Interests. Any losses which are carried forward to a succeeding year shall be deducted from any profits in such succeeding year before determining the net profit for such succeeding year.
- 5.9 **Profits:** The net profits of the Partnership (including any profits of a capital nature) shall be allocated amongst the Partners in proportion to their respective Working Interests and shall be distributed to the Partners at such time or times and in such instalments as the Manager shall think fit having due regard to the financial position of the Partnership and the projections contained in the Prospectus in respect of distribution of profits and **PROVIDED THAT** the Manager shall deduct from any share of profits available for distribution to any Partner any contributions, interest or other moneys which may be due and owing by such Partner to the Partnership. Pending distribution of the net profits of the Partnership amongst the Partners as aforesaid any moneys coming into the Partnership shall be held in trust by the Statutory Supervisor.
- 5.10 **No Redemption:** No Partner shall be entitled to redeem any of its Units or its Working Interest in the Partnership.
- 5.11 **Restriction on Right to Assign and Mortgage:** Except with the unanimous consent of all existing Partners, no Partner shall sell, assign, transfer, mortgage, charge, or otherwise dispose of its Working Interest or any of its Units to any person.
- ### 6. PAYMENT OF DEBTS
- 6.1 **Obligations of each Partner:** Each Partner shall at all times duly and punctually pay and discharge its separate obligations including any contributions or payments in respect of the Partnership whether present or future and shall indemnify and keep indemnified the other Partners and the assets of the Partnership and all other Partners against the same and all claims, demands, expenses or action on account thereof.
- 6.2 **Lien over Working Interest:** The Partnership shall have a lien over a Partner's Working Interest share of the assets of the Partnership in respect of all contributions or other moneys from time to time payable by such Partner to the Partnership which for the time being remain unpaid.
- ### 7. OWNERSHIP OF THE ASSETS
- At any time the assets of the Partnership shall be deemed to be owned by the Partners and in the proportions that the amount paid up by each Partner in respect of its Working Interest bears to the then current total paid up by all Partners to the capital of the Partnership in respect of their Working Interests.
- ### 8. MEETINGS
- 8.1 **Meeting of Partnership:** The Manager shall from time to time at its own discretion or at the request in writing of the Statutory Supervisor, or of any Partner or Partners together holding not less than 1000 Units, summon a meeting of the Partnership for the purpose of discussing the affairs of the Partnership or giving to the Statutory Supervisor the opinions of the Partners or directions in relation to exercise of the Statutory Supervisor's powers.
- 8.2 **Shareholders Right to Attend:** Every Shareholder may attend a meeting of the Partnership and such Shareholders may speak but shall have no right to vote.
- 8.3 **Rules for Convening and Conducting Meetings:** Every meeting of the Partnership shall be convened and conducted in accordance with the rules set out in the Third Schedule. The rules contained in the Third Schedule may be altered from time to time by special resolution of the Partners.
- ### 9. DEFAULT AND FORFEITURE
- 9.1 **Default:** If any Partner shall fail to pay any amount due as and when required by clause 5 and such failure shall continue for 20 working days after written notice thereof has been given to that Partner by the Manager, the Manager or any other Partner may (but without being bound to do so) pay all or any part of such amount to the Partnership on behalf of the Partner and any amount so paid shall be deemed to be an advance by the Manager or the Partner (as the case may be) to the defaulting Partner and any amount so advanced shall bear interest against the defaulting Partner from the date such payment is made by the Manager or other Partner at the Default Rate until such time the Manager or the Partner making any such advance to the defaulting Partner is repaid any such advance and any interest thereon in full, and the Manager or any Partner making any such advance shall be entitled to a lien over the defaulting Partner's Working Interest and the defaulting Partner's shares of any profits of the Partnership which may from time to time be available for distribution and the Manager shall be entitled to deduct from any amount available for distribution to the defaulting Partner the amount of any such advance and accrued interest before paying the balance (if any) to the defaulting Partner.
- 9.2 **Interest Payable:** If any Partner fails to pay any contribution to the capital of the Partnership or any part of such contribution or any other moneys which may from time to time be owing by the Partner to the Partnership on or before the date that payment of such contribution or other moneys is due interest shall accrue on the amount unpaid from the due date until the date that payment is actually received by the Partnership at the Default Rate and the Manager shall serve a default notice on such defaulting Partner requiring that payment of the unpaid amount and interest be made forthwith.
- 9.3 **Notice of Forfeiture:** The notice given by the Manager under clause 9.2 shall specify a further date (being not earlier than the expiration of 40 working days from the date of service of the default notice on the defaulting Partner) on or before which the payment required by the notice is to be made and shall state that in the event of non payment the defaulting Partner's Working Interest shall be liable to be reduced by 200 Units (or such greater number as the Manager may in its discretion determine are affected by default in payment) and those Units shall be liable to be forfeited.
- 9.4 **Forfeiture of Working Interest:** If the requirements of such notice are not complied with, then that number of Units of the defaulting Partner determined by the Manager under clause 9.3 as liable to be forfeited may at any time thereafter be declared by the Manager to be forfeited to the benefit of the Partnership resulting in all Working Interests being redefined in accordance with clause 9.5 (notwithstanding any other remedies which the Partnership may have against the defaulting Partner). The total number of Units in the Partnership shall decrease accordingly by the number of Units forfeited by the Partner unless the arrears in contributions are assumed by another Partner. If the obligation to pay the arrears in contributions has been assumed by another Partner or Partners, the Units held by the defaulting Partner shall be forfeited to the Manager and the Manager may continue to hold those Units or transfer those Units to any other Partner or Partners at its sole discretion.
- 9.5 **Automatic Forfeiture:** Notwithstanding clause 9.4, if any shares of a shareholder in a Partner are forfeited pursuant to the constitution of that Partner and those forfeited shares are not subsequently sold to a third party then that Partner

## APPENDIX 8

# TERMS OF DEED OF PARTICIPATION

shall automatically forfeit the same number of Units as shares forfeited by the shareholder pursuant to the constitution of that Partner.

- 9.6 Redefinition of Working Interests on Forfeiture:** On the forfeiture of Units of a Partner under this clause the Working Interests of the Partners shall be redefined as the number of Units held by each Partner as a percentage or fraction of the total number of Units held by the Partners reduced by the number of Units forfeited.
- 9.7 Certificate of Forfeiture:** A certificate signed by or on behalf of the Manager that the defaulting Partner's Working Interest has been reduced by the number of Units in the Partnership duly forfeited on the date stated in the certificate shall be conclusive evidence of the facts stated in such certificate as against all persons claiming to be entitled to such Working Interest.
- 9.8 Liability of Defaulting Partner:** From the date of forfeiture a defaulting Partner shall not be liable to pay the contributions in respect of the forfeited Units.
- 9.9 Power of Attorney:** Each Partner irrevocably appoints the Manager (and every director or duly authorised officer of the Manager (jointly and severally) its attorney for the purpose of transferring its Units so forfeited and executing any documents required to be executed in connection therewith.
- 9.10 No Voting Rights:** For so long as any contributions or other moneys owing by a Partner remain unpaid then the defaulting Partner shall not be entitled to vote at any meeting of the Partnership.
- 9.11 Further Remedies:** The provisions of clauses 9.1 to 9.10 shall not be the sole remedy of the Partnership against a defaulting Partner but shall be in addition to any other remedies which the Partner may have at law or in equity.

### 10. DISSOLUTION OF PARTNERSHIP

- 10.1 No Dissolution of Partnership:** The Partnership shall not be deemed to be dissolved upon the liquidation of any Partner (and such shall not be deemed to be or regarded or taken to be a disposition by the Partner of any Working Interest or Unit) or by the transfer by any Partner of all or any part of his Working Interest or Unit. In every such case the Partnership shall be deemed to continue in existence between the remaining Partners and (if any) the person succeeding to the interest of any such Partner, liquidated Partner (any rule of law or equity notwithstanding) or the transferee of any Working Interest or Unit of a Partner on the terms embodied in this deed.
- 10.2 Liquidation:** In the event of the Partnership being dissolved then the Manager shall, as soon as practicable after the date of dissolution, cause a full and general account to be taken of all assets, credits, debts and liabilities of the Partnership.
- 10.3 Final Accounts:** The Manager shall cause final accounts of the business of the Partnership to be drawn up and shall furnish a copy thereof to each Partner, every Shareholder and to the Statutory Supervisor.
- 10.4 Profits:** Upon the Manager completing the realisation of the assets and credits of the Partnership and the preparation of the final accounts of the Partnership the Manager shall pay to each Partner any unpaid profits which may be due to such Partner and distribute to each Partner its share of the net proceeds of the realisation of the assets and credits of the Partnership in proportion to that Partner's Working Interest.

## MANAGER

### 11. MANAGER

- 11.1 Appointment:** The Partners and each of them do hereby appoint the Manager as and from the Commencement Date to be the sole Manager of the business of the Partnership and to that end and intent the Partnership business shall be conducted and managed only by the Manager and the Manager shall have the powers, authorities and duties set

out in this deed and the Manager hereby accepts such appointment.

- 11.2 Best Endeavours and Due Diligence:** The Manager shall use its best endeavours and skill to ensure that the affairs of the Partnership are conducted in a proper and efficient manner and will use due diligence and vigilance in the exercise and performance of its functions, powers and duties as the manager of the business of the Partnership but provided that the Manager performs its duties diligently and vigilantly at all times it shall in no way be liable to the Partners or any of them for any diminution in the capital of the Partnership or the income from the business of the Partnership or any other loss, costs, damages, expenses or inconvenience of any nature whatsoever which may result from any act or omission of the Manager.
- 11.3 Reimbursement of Expenditure:** The Partners hereby acknowledge that the Manager has carried out or incurred on behalf of the Partnership certain costs and expenditure before the Commencement Date as detailed in the financial forecast section of the Prospectus and each of the Partners hereby ratifies and confirms that such costs and expenditure have been made on behalf of the Partnership and that the Partnership shall indemnify the Manager in respect thereof.
- 11.4 Events beyond Reasonable Control:** The Manager shall not be deemed to be in breach of any of its obligations under this deed if and to the extent that fulfilment and performance of such obligations shall be prevented or delayed by factors or events beyond the Manager's reasonable control.

### 12. POWERS OF MANAGER

- 12.1 Powers:** The Manager shall have the following powers and authorities in respect of the conduct of the affairs and business of the Partnership:
- (a) to allot and vary from time to time in accordance with this deed all Working Interests and units in the Partnership;
  - (b) to carry on the business for which the Partnership has been established more particularly described in clause 4.1 and to do or cause to be done all things and enter into all agreements as described in clause 4.2 which may be necessary or desirable for such purpose;
  - (c) to cause the Statutory Supervisor to receive on behalf of the Partnership all contributions required to be made by each Partner to the capital of the Partnership and all other moneys coming into the hands of the Partnership including all income and profits of whatsoever nature from the Partnership business and to give valid and effectual receipts for all moneys so coming into its hands on behalf of the Partnership and the Manager shall otherwise account to the Partnership for all moneys received by it on behalf of the Partnership;
  - (d) to open and operate an imprest account with a registered trading bank into which account the Statutory Supervisor shall transfer or oversee the transfer of any contributions and other moneys held on behalf of the Partnership required to pay any accounts payable by the Partnership and to sign cheques or authorise the signing of cheques drawn on such bank account in respect of any expenditure;
  - (e) to enter into any arrangement to profit sharing union of interest, amalgamation, co-operation, joint venture, reciprocal concessions, licensing distribution or otherwise with any person which is consistent with the Plan and the objects of the Partnership and which will directly or indirectly benefit the Partnership and to take or otherwise acquire or deal in choses in action, choses in possession, shares in securities of any such person and to sell, hold, reissue with or without guarantee or otherwise deal with the same and to grant licences and rights to any property of the Partnership to any such person;

## APPENDIX 8

# TERMS OF DEED OF PARTICIPATION

- (f) to borrow or raise or secure the payment of money in such manner as it shall think fit and in particular to issue notes, bonds, obligations and securities of all kinds and to frame, constitute and secure the same as may seem expedient with full power to make the same transferable by delivery or instrument of transfer or otherwise and to charge or secure the same upon the assets of the Partnership or upon any specific property and rights present and future of the Partnership or otherwise howsoever **PROVIDED THAT** the Manager shall not be entitled to borrow, raise or secure any sums (other than the borrowings secured by a mortgage over the Land and any bridging finance referred to in the Prospectus) unless such borrowings have previously been approved by a special resolution of the Partners;
- (g) to employ agents, advisers, workmen and contractors including subcontractors and other persons or to negotiate and enter into contracts with such agents, advisers, workmen and contractors and other persons as independent contractors in respect of the business of the Partnership as the Manager may consider necessary or desirable;
- (h) to authorise payment of all rates, taxes, interests, insurance premiums, wages, commission, legal and accounting fees and expenses and all other outgoings, expenses, charges and costs payable in respect of the business of the Partnership and the management, administration and supervision thereof arising from any exercise of the Manager's powers and authorities conferred by this deed;
- (i) to attend and vote for and represent the Partnership at any meeting or meetings of creditors of any bankrupt or any insolvent person or on the liquidation of any company or companies or otherwise in respect of any debt or claim which the Partnership may have or in which the Partnership may be interested and to prove debts and receive compensation or dividends and to take or join in taking proceedings for having any debtor adjudicated bankrupt or for obtaining a liquidation order in respect of any company, corporation, association or syndicate and for all of the purposes aforesaid to sign, make and do all such notices, applications, declarations, petitions and things as the Manager may consider necessary or expedient and for any of the purposes aforesaid appoint any person or persons as the Manager's proxy or proxies and to sign all necessary documents for such purpose;
- (j) for the purpose of exercising the aforesaid powers and authorities or any of them to employ such solicitors, accountants or other professional persons as the Manager shall think necessary or expedient and pay all fees and charges in respect of such employment as are customary and reasonable for work of that nature;
- (k) to sign, execute, deliver, give and execute in the name of any Partner any contract, agreement, memorandum or other document which may be necessary or desirable in the exercise of any of the powers or remedies conferred upon the Manager by these presents.
- (l) subject to the provisions of this deed to do or perform any other matter or thing which may seem to the Manager in its absolute discretion to be expedient in the interests of the Partnership **PROVIDED THAT** the Manager shall not pay out or invest or apply any money belonging to the Partnership for any purpose that is not directed or authorised by this deed;

**PROVIDED THAT** the Manager shall not be entitled to enter into any transaction or do or perform any matter, act or thing not contemplated on a liberal reading of the Prospectus or this deed unless such transaction has been

previously approved by an ordinary resolution of the Partners.

### 13. OBLIGATIONS OF MANAGER

**13.1 Establishment, Management, Maintenance and Harvesting of Trees:** The Manager will during the term of its employment undertake to establish, manage, maintain and harvest the Trees on the Land in accordance with the Plan. In particular, the Manager shall:

- (a) cause to be paid, as and when they become due and payable, all accounts of contractors and claims for wages and salaries for services rendered and shall keep any Partnership assets free from liens and encumbrances resulting from such operations save to the extent only that the same may arise from a bona fide dispute with respect thereto;
- (b) permit any Shareholder, or any duly authorised representative of the Partners, or the Statutory Supervisor at their sole risk and expense, full and free access at all reasonable times for the purpose of inspection and observation of all operations of every kind and character being conducted by the Manager for the purpose of the Partnership;
- (c) market any Forest Produce to the best commercial advantage of the Partners;
- (d) in respect of all operations conducted in carrying on the business of the Partnership under this deed effect and maintain in full force at the expense of the Partnership and for the benefit of the Partnership and in the names of the Partners according to their respective Working Interests any and all insurances required by any applicable law as well as:
  - (i) full insurance cover for damage or destruction of the Trees by fire, for fire-fighting costs and for re-establishment costs;
  - (ii) full insurance cover of all other Partnership assets against all usual risks;
  - (iii) general third party public liability insurance against all usual risks for not less than \$20,000,000 in respect of anything that might be undertaken by the Manager on behalf of the Partnership in performing its duties under this deed. Such insurance must be of an appropriate amount having regard to all risks involved and as insured by a reasonable and prudent manager in similar circumstances.
- (e) compromise, settle or defend any and all claims and suits by third parties arising out of the conduct of the Partnership business to the extent not covered by insurance at the expense of the Partnership, provided that the Manager shall not pay more than the equivalent of \$5,000 or such other amount as may be approved by the Statutory Supervisor from time to time in settlement of any claim or suit without obtaining the approval of an ordinary resolution of the Partners;
- (f) maintain all records as may be required to comply with the "pruned stand certification scheme" established by the Forest Research Institute of New Zealand;
- (g) provide the Forestry Auditor with such assistance as the Forestry Auditor may reasonably require;
- (h) cause all work required to establish, maintain, manage and harvest the Trees on the Land in accordance with the Plan to be carried out in a proper manner in accordance with recognised good forestry practices, with all reasonable skill and effort required in the circumstances, and in accordance with the terms and conditions of any applicable legislation and shall devote such time as is necessary to faithfully and diligently perform its duties under this deed.
- (i) furnish to each of the Partners, every Shareholder and the Statutory Supervisor at the same time as the annual financial statements referred to in clause 13.5, a Management Report together with a Report from

## APPENDIX 8

# TERMS OF DEED OF PARTICIPATION

- the Forestry Auditor, both in a form as agreed between the Statutory Supervisor and the Manager.
- 13.2 No Default:** Notwithstanding anything else contained in this deed, the Manager shall be deemed not to default in the performance of any obligation under this deed which requires the Manager to expend funds for the business of the Partnership, in circumstances in which the Manager has properly called for but failed to be provided by the Partners or any of them with funds to enable the Manager to perform such obligation.
- 13.3 No Limit on Manager:** Nothing in this deed shall operate to prevent, interfere with or limit any other work which the Manager may wish to perform elsewhere including work on behalf of any other forestry partnership.
- 13.4 Manager to keep Accounts:** The Manager shall at all times be responsible for keeping, in such manner as will enable any audit thereof to be conveniently and properly carried out, the following records:
- (a) accounting records that correctly record and explain the transactions of the Partnership;
  - (b) accounting records that will at all times enable the financial position of the Partnership to be determined with reasonable accuracy;
  - (c) a record of the assets and liabilities of the Partnership; and
  - (d) such other information as may be required to be contained therein by law.
- 13.5 Annual Financial Statements:** The Manager shall produce at the end of each financial year of the Partnership's business a Statement of Financial Position and Statement of Financial Performance and such other accounts as are usually produced in accordance with good accountancy practice, in respect of the Partnership's business. The accounts shall be audited by the Financial Auditor and furnished to each of the Partners, every Shareholder and the Statutory Supervisor.

### 14. MANAGER'S REMUNERATION

The Manager's fees for the work done and services provided under this deed shall be \$25 per planted hectare per annum (subject to a minimum annual fee based upon 200 planted hectares) plus 20% of authorised afforestation expenditure and 10% of grazing income per annum. The Manager's fees may be reviewed from time to time and any variation of fees shall be subject to the agreement of the Partners by ordinary resolution. The Manager shall also be entitled to a harvest management fee to be agreed between the Manager and the Partners and in the absence of agreement to be determined by arbitration in accordance with clause 22.

### 15. RETIREMENT OR REMOVAL OF THE MANAGER

- 15.1 Retirement or Removal:** The Manager shall cease to be the Manager of the Partnership if at any time:
- (a) the Statutory Supervisor shall notify the Manager to that effect in writing **PROVIDED THAT** the Statutory Supervisor shall only be entitled to give such notice if the Manager becomes unable to pay its debts within the meaning of section 287 of the Companies Act 1993 or a petition is presented for the Manager to be liquidated, and such petition is not dismissed or withdrawn within a reasonable time, or if a receiver and manager of the undertaking of the Manager or any part thereof is appointed and has not been removed or withdrawn within 20 working days of the appointment, or if the Manager makes any assignment for the benefit of its creditors or enters into a scheme of arrangement (other than for the purpose of amalgamation or reconstruction or similar purpose), or ceases to carry on business, or the Manager assigns or purports to assign its general powers and responsibilities for supervision and management of the affairs and business of the Partnership; or

- (b) the Manager is in default of performance of any of its duties or obligations under this deed in any material respect and fails to commence rectification of such default within 20 working days after receipt of written notice from the Statutory Supervisor and either the Forestry Auditor or the Statutory Supervisor makes a recommendation to the Partners for the removal of the Manager on the grounds that the failure to rectify such default is prejudicial to the interests of the Partnership in a material respect and such recommendation is accepted by a special resolution of the Partners; or
  - (c) the Partners by special resolution vote to remove the Manager for any reason or cause (if any) whatsoever; or
  - (d) the Manager resigns from office by giving not less than six months notice in writing to each Partner and to the Statutory Supervisor provided that no such notice shall be given by the Manager to take effect before 30 March 2003.
- 15.2 New Manager:** If the Manager is removed or resigns from office pursuant to clause 15.1 a successor manager, who may be a person recommended as being suitable for appointment as the Manager by the Statutory Supervisor, shall be appointed by the Partnership by means of a special resolution. Until a new Manager is appointed by the Partnership and the new Manager has executed a deed of covenant in accordance with clause 15.3 the Statutory Supervisor or its duly authorised agent shall act as the Manager and shall be deemed to have all the powers of the Manager set out in clause 12.
- 15.3 Deed of Covenant:** Any new Manager appointed by the Partnership pursuant to clause 15.2 shall execute a deed of Covenant whereby the new Manager shall covenant with the Statutory Supervisor and the Partners to observe and perform all and singular the covenants and conditions herein contained on the part of the Manager to be observed and performed and thereafter the new manager will be entitled to exercise all powers of the Manager and shall be subject to all duties and obligations of the Manager contained in this deed.

## STATUTORY SUPERVISOR

### 16. STATUTORY SUPERVISOR

- 16.1 Ascertaining any Breaches:** The Statutory Supervisor shall exercise reasonable diligence to ascertain whether or not any breach of the terms of this deed or any matters contained in the Prospectus has occurred and, except where the Statutory Supervisor is satisfied that the breach will not materially prejudice the interests of the Partners shall do all such things as the Statutory Supervisor is empowered to do to cause any breach of those terms to be remedied **PROVIDED THAT** nothing in this deed shall impose on the Statutory Supervisor any duty or obligation to ensure that the Manager fulfils its duties and obligations under this deed.
- 16.2 Rights of Supervisor:**
- (a) The Statutory Supervisor shall be entitled to receive all notices and other communications relating to the Partnership which any Partner is entitled to receive;
  - (b) the Statutory Supervisor, or any representative of the Statutory Supervisor (being a person authorised to act for the purposes of this clause by the Statutory Supervisor), shall be entitled to attend any meeting of the Partnership and to be heard at any such meeting;
  - (c) the Manager shall from time to time:
    - (i) at the request in writing of the Statutory Supervisor, make available for its inspection the whole of the accounting or other records relating to the Partnership; and
    - (ii) give to the Statutory Supervisor such information as it requires with respect to all matters relating to such records;

## APPENDIX 8

# TERMS OF DEED OF PARTICIPATION

**16.3 Remuneration:** In respect of and in connection with this deed and any matter in relation to this deed and its services as Statutory Supervisor pursuant to this deed the Supervisor shall be entitled to remuneration at such rate as may be from time to time agreed by the Manager with the Statutory Supervisor and also to be reimbursed for all costs, charges and expenses (including travelling expenses) reasonably incurred by or on behalf of the Statutory Supervisor in carrying out its duties under this deed. The Statutory Supervisor's remuneration and reimbursement of any costs, charges and expenses payable to the Statutory Supervisor shall be for the account of the Partnership;

**16.4 Indemnity:** The Statutory Supervisor and every attorney, manager, agent or other person appointed by the Statutory Supervisor under this deed shall be entitled to be indemnified out of the assets of the Partnership in respect of all liabilities and expenses incurred by it or by the execution or purported execution of any of the powers, authorities or discretions vested in it pursuant to this deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the premises other than a claim arising out of wilful default or wilful breach of its powers and the Statutory Supervisor may retain and pay out of any moneys in its hands arising from the powers of this deed all sums necessary to give effect to such indemnity and also the remuneration disbursements of the Statutory Supervisor as herein provided and the Statutory Supervisor shall have a lien on the assets of the Partnership from time to time in the possession of, or control of, the Statutory Supervisor for all moneys payable to it under this clause or otherwise howsoever arising out of or in connection with this deed.

**16.5 Custodian Trustee:** The Partners request and direct the Statutory Supervisor to be registered as proprietor of the Partnership's land in trust for the Partners as tenants in common in the same proportion that the number of Units allotted to each Partner bears to the total number of Units in the Partnership. The Partners delegate to the Statutory Supervisor all the powers, authorities and discretions vested in them as beneficial owners of the Partnership's land to be exercised by the Statutory Supervisor on behalf of the Partnership. The Statutory Supervisor covenants and agrees with the Manager and the Partners to execute as the legal owner of the Partnership's land any document, deed, lease, mortgage, pledge, encumbrance or transfer of any property of the Partnership or any part thereof at the request of the Manager. The Statutory Supervisor shall hold all income, profits, accretion and capital arising from ownership of the Partnership's land for the Partners absolutely in accordance with their respective shares.

### 17. REMOVAL OF STATUTORY SUPERVISOR

**17.1 Termination:** Subject to clause 17.3 the appointment of the Statutory Supervisor under this deed shall be terminated if the Statutory Supervisor:

- (a) ceases to carry on business or if a liquidator or provisional liquidator is appointed (except for the purposes of amalgamation reconstruction);
- (b) has a receiver or receiver and manager appointed who is not removed or withdrawn within 20 working days after appointment;
- (c) the Statutory Supervisor ceases to be a trustee corporation approved by the Securities Commission under section 48 of the Securities Act 1978 to act as a trustee; or
- (d) the Partners by special resolution vote to remove the Statutory Supervisor for any reason or cause (if any) whatsoever.

**17.2 Retirement:** Subject to clause 17.3 the Statutory Supervisor may retire upon giving three months' written notice to the Manager of its desire to do so or on the appointment of a new supervisor (whichever is the later in time).

**17.3 New Statutory Supervisor:** On termination of the Statutory Supervisor's appointment (as provided in clause 17.1) or the retirement of the Statutory Supervisor (as provided for in clause 17.2) the Manager shall forthwith, appoint in its stead some other person which is a trustee corporation approved by the Securities Commission under section 48 of the Securities Act 1978 to act as a trustee, to be the Statutory Supervisor and the Statutory Supervisor shall continue to act as Statutory Supervisor until such other person has been appointed by the Manager as the Statutory Supervisor and such person has accepted such appointment.

**17.4 Deed of Undertaking:** The new Statutory Supervisor shall execute a deed undertaking to the Manager and the Partners to be bound by all the obligations of the Statutory Supervisor under this deed as from the date of the appointment and thereafter the new Statutory Supervisor will be entitled to exercise all the powers and shall be subject to all duties and obligations of the Statutory Supervisor as though the new Statutory Supervisor had been originally named as a party to this deed. The removed or retiring Statutory Supervisor shall from such date be released from complying with the obligations under this deed but shall remain liable for any antecedent breach thereof.

**17.5 Release of Statutory Supervisor:** The Statutory Supervisor may be released from liability where the Statutory Supervisor has failed to show the degree of care and diligence required either with respect to specific prior acts or on the Statutory Supervisor ceasing to act but only where such release is given pursuant to a special resolution.

## FINANCIAL AUDITOR

### 18. FINANCIAL AUDITOR

**18.1 Appointment of Financial Auditor:** The Partnership shall be deemed to have appointed Martin Jarvie P.K.F., Chartered Accountants, as the Financial Auditor of the Partnership and such firm shall hold office as Financial Auditor until such time as the Partnership may by ordinary resolution appoint another qualified auditor as the Financial Auditor.

**18.2 Audit Expenses:** The Partnership shall meet the professional charges of the Financial Auditor appointed by the Partnership as expenses of the business of the Partnership.

## FORESTRY AUDITOR

### 19. FORESTRY AUDITOR

**19.1 Obligations of Forestry Auditor:** The Manager shall on behalf of the Partnership engage Forme Consulting Group Limited or such other reputable forestry consultant recognised by the New Zealand Institute of Forestry (or any replacement body) to act as the Forestry Auditor to the Partnership.

**19.2 Fees:** The Forestry Auditor's fees shall be for the account of the Partnership.

## GENERAL

### 20. AMENDMENT OF DEED

**20.1 Changes:** The Statutory Supervisor may, on behalf of the Partners, concur with the Manager in making any alteration, modification, variation or addition ("the Change") to this deed in the following cases; namely:

- (a) if in the opinion of the Statutory Supervisor the Change is made to correct a manifest error or is of a formal or technical nature or is convenient and is not prejudicial to the general interests of the Partners.
- (b) if the same is authorised by a special resolution;
- (c) if the Statutory Supervisor is of the opinion that such Change is clearly not, or is clearly not likely to become, prejudicial to the general interests of the Partners;

# APPENDIX 8

## TERMS OF DEED OF PARTICIPATION

(d) if the same is required to comply with the provisions of any statute or statutory regulations.

**20.2 Deed of Modification:** Any Change to the deed shall be recorded in a deed of modification of this deed. The Statutory Supervisor shall be authorised to sign any such deed of modification on behalf of each of the Partners.

### 21. NOTICES

Any notice hereunder shall be properly served if it is posted by prepaid mail or by personal delivery, in the case of:

- (a) the Partners or the Partnership, if such notice is addressed to the offices of the Manager;
- (b) the Manager, if such notice is addressed to 5 Papawai Place, P.O. Box 128, Masterton or such other address as shall from time to time be notified by the Manager to the Statutory Supervisor and the Partners;
- (c) any Shareholder, addressed to such Shareholder at the address recorded in the share register of each Company;
- (d) the Statutory Supervisor if such notice is addressed to The Trustees Executors and Agency Company of New Zealand Limited (trading as TOWER Trust) at TOWER Trust House, 10 Brandon Street, P.O. Box 3222, Wellington, Attention: The Manager, Corporate Trust.

Any notice served in accordance with this clause shall be deemed to be served on the third day following posting or on the day of actual delivery if delivered personally.

### 22. ARBITRATION

All disputes and questions which shall either during the continuance of this deed or afterwards arise between any of the Partners, the Manager or the Statutory Supervisor touching this deed or the application of this deed or as to any matter relating to the participation of a Partner in the Partnership established by this deed shall be referred to a single arbitrator to be agreed upon by the parties to the dispute and failing agreement to a single arbitrator to be nominated by the President for the time being of the Wellington District Law Society and any such arbitration shall be in accordance with the Arbitration Act 1908.

**IN WITNESS WHEREOF** these presents have been executed the day and year first hereinbefore written.

**SIGNED by**

**FOREST ENTERPRISES LIMITED:**



**Business Director**



**Forestry Director**

**SIGNED by**

**BAYWOOD FOREST (No.1 to No.32) LIMITED**



**Director**



**Director**

### FIRST SCHEDULE

#### LIST OF PARTNERS

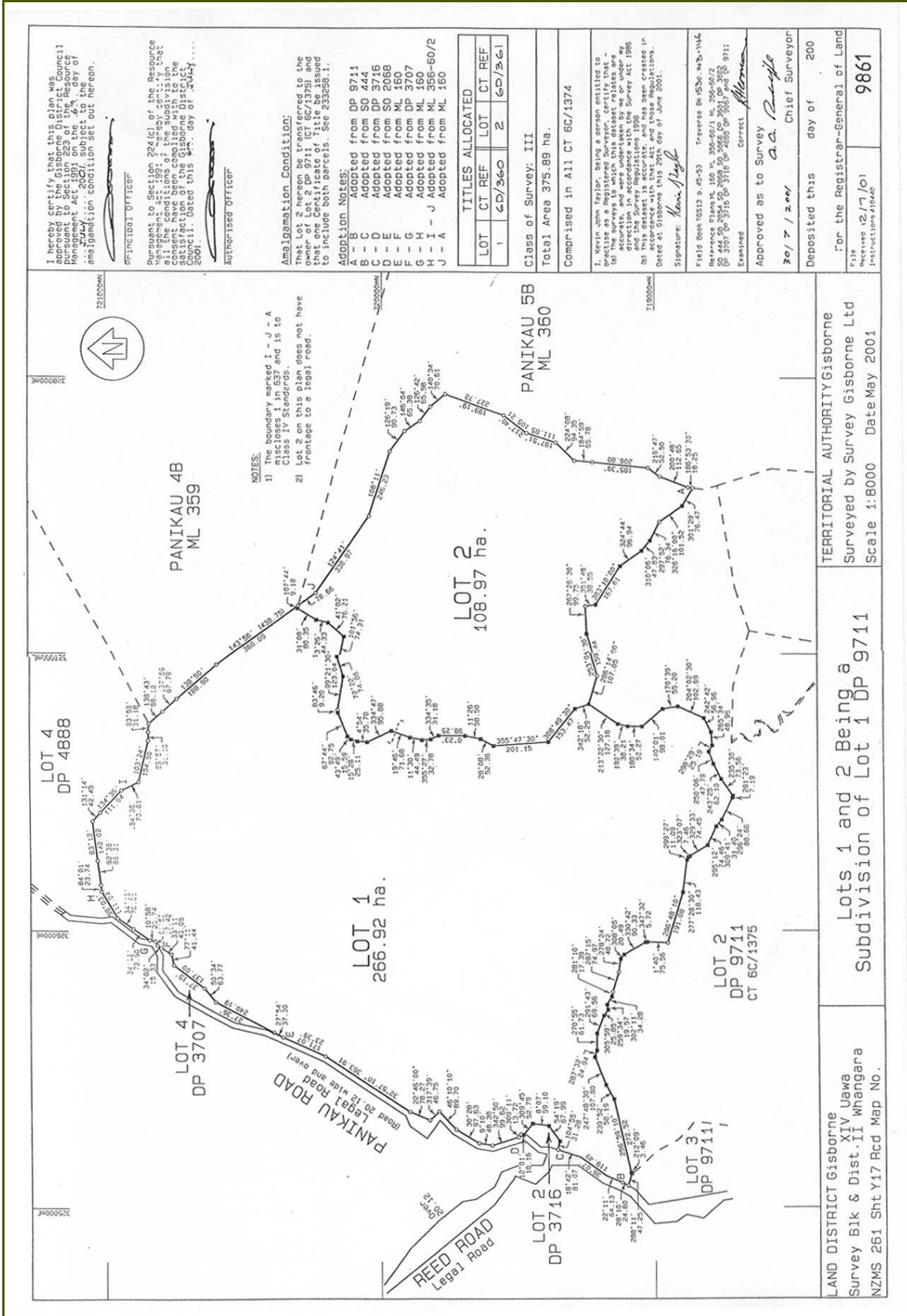
#### UNITS HELD BY EACH PARTNER

Baywood Forest (No. 1) Ltd	1000 units
Baywood Forest (No. 2) Ltd	1000 units
Baywood Forest (No. 3) Ltd	1000 units
Baywood Forest (No. 4) Ltd	1000 units
Baywood Forest (No. 5) Ltd	1000 units
Baywood Forest (No. 6) Ltd	1000 units
Baywood Forest (No. 7) Ltd	1000 units
Baywood Forest (No. 8) Ltd	1000 units
Baywood Forest (No. 9) Ltd	1000 units
Baywood Forest (No. 10) Ltd	1000 units
Baywood Forest (No. 11) Ltd	1000 units
Baywood Forest (No. 12) Ltd	1000 units
Baywood Forest (No. 13) Ltd	1000 units
Baywood Forest (No. 14) Ltd	1000 units
Baywood Forest (No. 15) Ltd	1000 units
Baywood Forest (No. 16) Ltd	1000 units
Baywood Forest (No. 17) Ltd	1000 units
Baywood Forest (No. 18) Ltd	1000 units
Baywood Forest (No. 19) Ltd	1000 units
Baywood Forest (No. 20) Ltd	1000 units
Baywood Forest (No. 21) Ltd	1000 units
Baywood Forest (No. 22) Ltd	1000 units
Baywood Forest (No. 23) Ltd	1000 units
Baywood Forest (No. 24) Ltd	1000 units
Baywood Forest (No. 25) Ltd	1000 units
Baywood Forest (No. 26) Ltd	1000 units
Baywood Forest (No. 27) Ltd	1000 units
Baywood Forest (No. 28) Ltd	1000 units
Baywood Forest (No. 29) Ltd	1000 units
Baywood Forest (No. 30) Ltd	1000 units
Baywood Forest (No. 31) Ltd	1000 units
Baywood Forest (No. 32) Ltd	1000 units

### SECOND SCHEDULE

266.92 hectares being part Lot 1 Deposited Plan 9711 being the balance of the land contained in Certificate of Title 6C/374 (Gisborne Registry) as shown on the shaded map attached.

# APPENDIX 8 TERMS OF DEED OF PARTICIPATION



# APPENDIX 8

## TERMS OF DEED OF PARTICIPATION

### THIRD SCHEDULE

#### Rules for Convening and Conducting Meetings of the Partnership

##### 1. PLACE

All meetings of the Partnership shall be held at the offices of the Manager or such other place as the Statutory Supervisor may determine or approve.

##### 2. NOTICE

2.1 A general meeting of the Partnership shall be called by not less than 10 working days' notice **PROVIDED THAT** not less than 15 working days notice in writing must be given of any general meeting at which a special resolution may be passed.

2.2 Notice of every general meeting of the Partnership shall be given to all Partners and to all shareholders of the Companies **PROVIDED THAT** the accidental or inadvertent failure to give notice of a general meeting to any Partner shall not invalidate such meeting or anything done at such meeting.

2.3 The notice shall be exclusive of the day on which it is served or deemed to be served and on the day for which it is given. The notice shall specify the place and appointed time of the meeting and the general nature of the business to be transacted and it shall not be necessary to specify in the notice the terms of the resolution to be proposed unless it is proposed that the resolution be passed as a special resolution.

2.4 A copy of the notice shall be sent to the Statutory Supervisor, the Manager, the Forestry Auditor and the Financial Auditor.

2.5 Each notice shall also state that a Partner may appoint a proxy to attend the meeting and vote in the place of the Partner.

##### 3. PROXIES

3.1 Any Partner may appoint a proxy to attend and vote at a meeting of the Partnership in place of the Partner. A proxy need not be a Partner. Every proxy shall be appointed in writing under the hand of the appointor and the instrument appointing the proxy shall be deposited at the office of the Manager (or such other place as may be specified for that purpose in the notice convening the meeting) at least 48 hours before the time for convening the meeting.

3.2 Every proxy shall have the same rights as the Partner by whom he or she is appointed:

- (a) to attend and speak at the meeting;
- (b) to vote whether on a show of hands or on a poll.

##### 4. QUORUM

4.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. A quorum shall be not less than five Partners present in person or by proxy holding between them not less than a 1/5th of all Working Interests.

4.2 If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from a time appointed for the meeting then such of the Partners as shall be present in person or by proxy shall form a quorum.

##### 5. CORPORATIONS ACTING BY REPRESENTATIVE

Any corporation which is a Partner may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Partnership and the person so authorised shall be entitled to exercise the same powers on behalf of that corporation which he represents as that corporation could exercise if it were an individual investor and references in these rules to a Partner being present in person shall mean and include a representative appointed by a corporation pursuant to this clause.

##### 6. CHAIRPERSON

The Partners present shall elect one of their number to be the chairperson of the meeting.

##### 7. RIGHT TO ATTEND AND SPEAK

The Manager, the Statutory Supervisor, the Shareholders, the Forestry Auditor and the Financial Auditor (or any representative of any of the aforesaid) shall have the right to attend and speak at any meeting of the Partnership on any part of the business of the meeting which concerns them.

##### 8. VOTES

8.1 At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded by the chairperson or by any Partner present in person or by proxy.

8.2 On a vote taken on a show of hands each Partner present in person or by proxy shall have one vote for each Unit held by that Partner. If a poll is demanded or required it shall be taken in such matter as the chairperson directs and on a poll each Partner present in person or by proxy shall have one vote for each Unit held by such Partner or by the Partner whom the proxy represents.

8.3 Where a Partner holds more than one Unit it shall not be required to exercise the votes attaching to those Units in the same manner.

8.4 In the case of an equality of votes on any question, the question shall be deemed not to have been carried and the chairperson shall not have a second or casting vote.

8.5 Any reference to an ordinary resolution means a resolution passed at a meeting of the Partnership duly convened and held in accordance with the provisions of this Schedule by a simple majority of votes cast by those Partners present in person or by proxy.

8.6 Any reference to a special resolution means a resolution passed at a meeting of the Partnership duly convened and held in accordance with the provisions of this Schedule at which at least three-fourths of the votes cast by the Partners present in person or by proxy voting thereat upon a show of hands, or if a poll is duly demanded then at least three-fourths of the votes given on such poll, voted in favour of the resolution.

##### 9. MINUTES

The Partnership shall cause minutes of all proceedings of general meetings of the Partnership to be entered into books kept for that purpose at the office of the Manager or such other place as the Statutory Supervisor may approve and the books shall be open at all reasonable times for inspection by any Partner or Shareholder. The minutes of any meeting shall be confirmed either at the meeting to which they relate or at a subsequent meeting and shall be signed by the chairperson of the meeting at which the minutes are confirmed. The minute book so signed shall upon production without further proof be prima facie evidence of the proceedings recorded in it and of their regularity.