
From: Forest Enterprises <admin@forestenterprises.co.nz>
Sent: Wednesday, December 9, 2020 5:13 PM
To: admin
Subject: SUMMARY: Broadview, Millmore, Springhill & Woodfield Forest Investments Update

Client Name: [ContactName]

Dear [Greeting],

Broadview, Millmore, Springhill & Woodfield Forest Investments Status of your Proposed Harvest Joint Venture

A Combined Harvest Visit & Meeting was held in November last year for investors in the neighbouring Broadview, Millmore, Springhill and Woodfield Forests - collectively referred to as the **Broadlands Group** - to discuss a proposal for the investments to combine for a joint venture (JV) for harvest. It was encouraging that a large majority present at the event indicated support in principle for the proposal.

Joint venture proposal

Our aim was to conclude the proposal and formal voting processes late 2020. However, there have been some interesting challenges for us to work through this year causing delays to our work programme in general, not least of which was Covid-19. Please note, there was no harvesting scheduled in 2020-2021 so this delay has not affected your investment.

We have been working on the various components of our harvest JV proposals, including for the Broadlands Group, to reflect the latest available forest inventory data, harvesting costs and log prices, plus regional and estate-wide woodflow volumes, all of which influence timing, stumpage and cashflow projections. The harvest infrastructure constraints in Gisborne are largely unchanged since last year's meeting, other than a Gisborne sawmill resuming operations which provides a local supply option.

The investments' forest auditor, Supervisor and land valuer are also involved for additional independent review of aspects of the proposals.

Investor votes in 2021

We anticipate voting to occur late next year for each of the four participating forest investments. There will be two separate investor votes - one to approve Forest Enterprises' Harvest Management Fee, and the other to approve the JV proposal. We remain confident that a JV is in investors' interest, and will present you with all documentation necessary to enable you to fully participate in the decision-making.

If you have any queries about this update, feel free to contact me.

Kind regards,

Sean Roberts

Customer Services Manager, Forest Enterprises

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