

BRAEMORE FOREST DEED OF PARTICIPATION

between

Braemore Forest Limited

and

Braemore Forest Limited Partnership

and

Covenant Trustee Services Limited

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Deed of Participation

Date:

2015

Parties

1. **Braemore Forest Limited** (Registration Number 346247), 219 Victoria Ave, Wanganui (the "**General Partner**")
2. **Braemore Forest Limited Partnership** a limited partnership to be registered under the Limited Partnerships Act and to be a party to this Agreement under section 9(3) of the Limited Partnerships Act (the "**Limited Partnership**")
3. **Covenant Trustee Services Limited** (Registration Number 2194946), Level 18, 48 Emily Place, Auckland, 1010 (the "**Statutory Supervisor**")

Background

- A. The Limited Partnership was formed as a limited partnership under the Limited Partnerships Act 2008 for the purpose of establishing and carrying on the forestry investment business described in this Deed and in the Limited Partnership Limited Partnership Agreement dated.
- B. The General Partner is the general partner in the Limited Partnership and will act as manager of the Limited Partnership for the purposes of the Securities Act being the person with the substantial obligation to security holders to act in the continuing administration or management of the Business.
- C. The General Partner has appointed the Statutory Supervisor to act as statutory supervisor pursuant to the Securities Act.
- D. The parties wish to record their obligations to one another and other matters they have agreed upon.

It is agreed

1. Definitions and interpretation

Definitions

- 1.1 In this Deed, unless the context requires otherwise, the following terms shall bear the following meanings:

"**Auditor**" means Silks Audit, Chartered Accountants, Wanganui, or such other person as may be appointed as auditor of the financial statements of the Limited Partnership by the General Partner.

"**Business**" means the business of the Limited Partnership set out in clause 2.

"**Business Day**" means a day (other than a Saturday, Sunday or statutory public holiday) on which registered banks are open for ordinary over-the-counter banking business in Auckland.

"**Call**" has the meaning set out in clause 4.2 of this Deed.

"**Capital Contribution**" has the meaning as that term is defined in the Limited Partnerships Act 2008.

"**Cash**" means money payable by legal tender, cheque or banker's draft, direct debit, bank transfer, debit or credit card approved by the General Partner, on-line internet payment, or any other form of payment approved by the General Partner from time to time.

"**Deed of Assignment and Covenant**" means the deed referred to in clause 7.4a in the form approved by the General Partner under which the assignor transfers to the assignee all right, title and interest in the assignor's LP Units.

"**Defaulting Partner**" means a Limited Partner who is deemed to have committed a default under the Limited Partnership Agreement.

"**Financial Year**" means a period ending on and including 31 March in each year and, in the case of the first Financial Year beginning on the date of registration of the Limited Partnership means the period ending on and including initially 31 March 2016 or, in the case of the final Financial Year, ending on the date when the Limited Partnership is terminated in accordance with the Limited Partnerships Act.

"**General Partner**" means Braemore Forest Limited or any successor general partner appointed by the Limited Partners.

"**GST**" means goods and services tax charged under the Goods and Services Tax Act 1985.

"**Initial Limited Partners**" means the persons listed in Schedule 1 of the Limited Partnership Agreement who will be issued their Partnership Interest pursuant to the transitional process described in clause 21 of the Limited Partnership Agreement.

"**Limited Partner**" means any person admitted to the Limited Partnership and registered as a limited partner for so long as they remain a limited partner of the Limited Partnership.

"**Limited Partnership**" means Braemore Forest Limited Partnership registered as a limited partnership pursuant to the Limited Partnerships Act 2008 on 23 December 2014.

"**Limited Partnership Agreement**" means the Limited Partnership Agreement dated 2015 between the General Partner, the Establishment Partner and the Limited Partnership.

"**Limited Partnership Assets**" means all of the assets of the Limited Partnership (including undrawn or outstanding capital).

"**Limited Partnership Interest**" has the same meaning as the term "partnership interest" is defined in the Limited Partnerships Act 2008.

"**LP Unit**" means each Limited Partner's respective Partnership Interest, including its capital contributions, expressed as an number of units calculated in accordance with Schedule 1 of the Limited Partnership Agreement and specified from time to time in the Partnership Unit Register during the term of this Agreement.

"**Management Agreement**" means the management agreement entered into between the General Partner and the Manager dated the same date as the Limited Partnership Agreement.

"**Manager**" means the manager appointed by the General Partner under the Management Agreement.

"**Overseas Person**" has the same meaning as that term is defined in section 7 of the Overseas Investment Act 2005.

"**Partner or Partners**" means the General Partner and/or all or any of the Limited Partners as the context may require.

"**Partnership Interest**" has the meaning set out in clause 4.1.

"**Related Company**" has the same meaning as that term is defined in section 2(3) of the Companies Act 1993.

"**Remaining Partners**" means all of the Partners other than the Defaulting Partner.

"**Securities Act**" means the Securities Act 1978.

"**Securities Regulations**" means the Securities Regulations 2009.

"**Terminating Event**" means any of the events set out in section 86 of the Limited Partnerships Act 2008.

Interpretation

1.2 The following provisions shall apply in the construction and interpretation of this Agreement except to the extent that the context requires modification:

- a. words importing the singular number include the plural and vice versa and the masculine gender includes the feminine and neuter genders and vice versa;
- b. the word "**person**" includes any individual, company, corporation, corporation sole, trust, firm, partnership, joint venture, syndicate, the Crown, any central or local government department, authority, association or group, and any other entity, or any other association of persons either corporate or un-incorporate;
- c. where under or pursuant to any deed or agreement to which this provision applies, or in respect of any act, matter or thing to be done thereunder, the day on or by which it is to be done is not a Business Day, such act, matter or thing may be done on the next succeeding Business Day;
- d. references to any statute or regulation shall, with all necessary modifications, apply to any modification or re-enactment or substitution or replacement of or for that statute or regulation;
- e. references to "**written**" and "**in writing**" includes any means of visible representation;
- f. reference to any document includes all modifications and replacement documents from time to time; and
- g. references to a party to this Agreement (including any new party) shall include references to all successors in title, executors and permitted assigns.

Provisions of Limited Partnership Agreement repeated in this Deed

1.3 Unless the context plainly requires otherwise, all the terms of the Limited Partnership Agreement are deemed to be repeated and incorporated into this Deed. Notwithstanding this deeming provision, certain terms of the Limited Partnership Agreement are expressly set out in this Deed in order to comply with regulation 41 of the Securities Regulations which requires every deed of participation relating to participatory securities issued pursuant to the Securities Act to specify the matters set out in Schedule 16 of the Securities Regulations. Those terms of the Limited Partnership Agreement are noted by the original clause references bracketed in the relevant headings of this Deed.

Information to be disclosed on request

1.4 If at the request of a Limited Partner a copy of this Deed (incorporating or together with all amendments to this Deed) is sent by the General Partner to a Limited Partner in

accordance with the obligations of the General Partner under section 54B of the Securities Act and regulation 44(c) of the Securities Regulations, the General Partner must also send to the Limited Partner a copy of the Limited Partnership Agreement (incorporating or together with all amendments to that Agreement).

2. **Limited Partnership Business**

(clause 2.7 of Limited Partnership Agreement)

2.1 The business of the Limited Partnership is to comprise:

- a. the carrying on of the business of forestry, including the tendering and maintenance of trees, silviculture, and the ownership, management, operation, harvesting, processing and marketing of forests and forestry investment of all kinds;
- b. maintaining, leasing, selling or otherwise dealing with or disposing of any property, either real or personal, acquired by the Limited Partnership; and
- c. investing in other properties or securities or in the shares, bonds, mortgages or debentures of other partnerships or companies, entry into any partnership or joint venture arrangements with any other person, partnership or company;
- d. otherwise doing all such things that may seem conducive to the benefit of the Limited Partnership provided that such activity is not prohibited by the Limited Partnerships Act or this Agreement; and
- e. the performance of all statutory or other legal requirements relating to the above activities.

3. **Constitution and duration of Limited Partnership and role of General Partner**

3.1 The Limited Partnership shall be deemed to have commenced on the date of execution of this Deed and shall be dissolved in accordance with clause 10 of this Deed.

3.2 The General Partner acts as the general partner of the Limited Partnership and is responsible for the management of the Business of the Limited Partnership. The General Partner:

- a. agrees to perform its duties and obligations and to act in the interests of the Limited Partnership and the Limited Partners, upon and subject to the terms and conditions set out in this Deed and the Limited Partnership Agreement; and
- b. shall cause any company appointed by it to act as the Manager to provide administration and management services to the General Partner and the Limited Partnership to comply with all the covenants and obligations on the part of the General Partner expressed or implied in this Deed or the Limited Partnership Agreement.

4. **Capital**

(clause 3 of Limited Partnership Agreement)

LP Units and Partnership Interest

4.1 Except in the case of the Initial Limited Partners, who will be issued LP Units in accordance with clause 20 of the Limited Partnership Agreement, the total number of LP Units shall be allocated to the Limited Partners in proportions equal to the respective pro rata Capital Contributions of each of the Limited Partners (excluding any fixed fees payable to the Limited Partnership on a per Limited Partner basis). In any such case, that proportion of the LP Units held by each Limited Partner shall be referred to as that Limited

Partner's "**Partnership Interest**" in accordance with section 38 of the Limited Partnership Act.

Capital Contribution Calls

- 4.2 The General Partner may make demands on the Limited Partners for further Capital Contributions as being appropriate and prudent for the development and management of the Business in accordance and the Limited Partnership Agreement or necessary to preserve or promote the best interests of the Limited Partnership and to meet the expenses of the Limited Partnership as set out in clause 3.2 of the Limited Partnership Agreement. Such further Capital Contributions are to be referred to as "**Calls**" and are to be paid in Cash initially to the Statutory Supervisor. The quantum of the Call payable by each Limited Partner shall be determined according to each Limited Partner's Partnership Interest.

Notice of Calls

- 4.3 The General Partner must give at least 10 Business Days' written notice of any Call and the notice must state when the Call is due and how payment can be made.

No deductions

- 4.4 Limited Partners must ensure that the Call amount received by the Limited Partnership is the actual amount of the Call net of any charges deducted by any bank, governmental authority or any other processing intermediary.

Statutory Supervisor to hold money in trust

- 4.5 The Statutory Supervisor shall receive all Call contributions and any surplus funds under clause 5.3 and hold that money in trust for the Limited Partnership in a separate interest bearing trust account at the direction of the General Partner.

Expenses of Limited Partnership

- 4.6 In addition to all the costs incurred in the implementation and operation of the Business, the Limited Partnership is to bear (through each Limited Partner's Capital Contributions) all fees, costs and expenses (including GST) associated with operating the Limited Partnership including but not limited to:
- a. the operational, administrative and compliance costs of the General Partner;
 - b. reporting, regulatory, accounting and legal costs, audit and custodian fees and the costs of the Limited Partnership's administration (including all costs and fees and expenses payable to the Manager, the Statutory Supervisor or incurred by the Manager on behalf of the Limited Partnership);
 - c. the production and distribution of reports and accounts by the Manager;
 - d. insurance premiums for any insurance obtained by the General Partner in respect of risks affecting the Limited Partnership and the Limited Partnership Assets and for directors and officers liability insurance in respect of the General Partner's directors;
 - e. all taxes, duties and all fees or other charges levied by any governmental agency against the Limited Partnership in connection with its Business activities; and
 - f. costs relating to the valuation, acquisition or disposal of any Limited Partnership Assets.

Recovery of fees, costs and expenses

- 4.7 For the avoidance of doubt the General Partner or the Manager may incur and pay such fees, costs and expenses on its own account and claim recovery for such fees, costs and expenses from the Limited Partnership.

Joint and several liability

- 4.8 The joint holders of LP Units shall be jointly and severally liable to pay Calls.

Withdrawal only in terms of the Limited Partnership Agreement

- 4.9 No Limited Partner shall during the continuance of the Limited Partnership be entitled to withdraw or receive back all or any of the capital of the Limited Partnership except as expressly provided in the Limited Partnership Agreement.

No redemption

- 4.10 No Limited Partner shall be entitled to redemption of any of its LP Units or its Partnership Interest in the Limited Partnership except as expressly provided in the Limited Partnership Agreement. For the purposes of this clause 4.10 "redemption" means the repurchase of any LP Units or Partnership Interest by the Limited Partnership.

5. Surplus Funds to be held by Statutory Supervisor**Profits**

(Clause 5.1 of Limited Partnership Agreement)

- 5.1 The net profits of the Limited Partnership (including any profits of a capital nature) shall be allocated amongst the Limited Partners in proportion to their respective Partnership Interests.

Distributions

(Clause 6 of Limited Partnership Agreement)

- 5.2 Only Limited Partners shall be entitled to distributions. Any distributions made shall be distributed to the Limited Partners at such time or times and in such instalments as the General Partner shall think fit having due regard to the requirements of sections 40, 41 and 42 of the Limited Partnerships Act 2008 provided that:
- a. the General Partner shall deduct from any distributions any money which may be due and owing by such Limited Partner to the Limited Partnership; and
 - b. the General Partner shall forward any moneys from the Business activities of the Limited Partnership received by the Limited Partnership which are not reasonably likely to be required for the ongoing Business of the Limited Partnership in the current financial year, to the Statutory Supervisor to be held on trust for the Limited Partnership.

Payment on dissolution

- 5.3 Payment to the Limited Partner of any surplus money on dissolution of the Limited Partnership is set out in clause 10.3c.

6. General Partner

(clause 2.10 of the Limited Partnership Agreement)

Sole General Partner

- 6.1 The General Partner shall be the sole general partner of the Limited Partnership.

Powers of the General Partner

- 6.2 The General Partner shall exercise all powers of the Limited Partnership as prescribed in the Limited Partnerships Act 2008 or by the Limited Partnership Agreement. Without limiting the generality of this clause 6.2, the General Partner shall have the following powers:
- a. 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 Business and the objects of the Limited Partnership and which will directly or indirectly benefit the Limited 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 Limited Partnership to any such person;
 - b. to attend and vote for and represent the Limited 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 Limited Partnership may have or in which the Limited 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 above to sign, make and do all such notices, applications, declarations, petitions and things as the General Partner may consider necessary or expedient and for any of the purposes above appoint any person or persons as the General Partner's proxy or proxies and to sign all necessary documents for such purpose;
 - c. compromise, settle or defend any and all claims and suits by third parties arising out of the conduct of the Business to the extent not covered by insurance at the expense of the Limited Partnership;
 - d. to sign, execute, deliver, give and execute in the name of any Limited 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 General Partner by the Limited Partnership Agreement;
 - e. without limiting the General Partner's powers, to enter into the Management Agreement with the Manager under which the Manager is appointed to perform the administration and management services for the Limited Partnership, and the General Partner as set out in the Management Agreement; and
 - f. subject to the provisions of the Limited Partnership Agreement to do or perform any other matter or thing which may seem to the General Partner in its absolute discretion to be expedient in the interests of the Limited Partnership provided that the General Partner shall not pay out or invest or apply any money belonging to the Limited Partnership for any purpose that is not directed or authorised by the Limited Partnership Agreement.

Duties and Liabilities of General Partner

- 6.3 The General Partner has the following duties:
- a. to use the General Partner's best endeavours and skill to ensure that the affairs of the Limited Partnership are conducted in a proper and efficient manner;

- b. to use due diligence and vigilance in the exercise and performance of the General Partner's powers, functions, and duties as a manager;
- c. to account to the Limited Partners for all money that the General Partner receives on behalf of the Limited Partnership;
- d. not to pay out or invest or apply any money belonging to the Limited Partnership for any purpose that is not directed by or authorised in this Deed or the Limited Partnership Agreement; and
- e. to supply to the Limited Partners, in general meeting, any oral or written information relating to the affairs of the Limited Partnership that any Limited Partner has given the General Partner reasonable notice to supply.

6.4 The General Partner must:

- a. establish an account or accounts to be kept in the name of the Limited Partnership at the bank or banks that the General Partner may decide; and
- b. ensure that all money received on behalf of the Limited Partnership is paid into a bank account referred to in clause 6.4a as soon as practicable.

6.5 The General Partner has the same liability for any of the General Partner's acts and omissions in the exercise and performance of the powers, functions, and duties as the manager as the General Partner would have if the General Partner exercised and performed those powers, functions, and duties as a trustee of the property of the Limited Partnership.

6.6 The General Partner is entitled to the same relief from that liability as the General Partner would be if the General Partner were a trustee of the property of the Limited Partnership.

Responsibilities of General Partner for management

6.7 Notwithstanding the contracting out of the management of the Limited Partnership to the Manager pursuant to clause 4.2 of the Limited Partnership Agreement, the General Partner will at all times remain responsible for the management of the Limited Partnership as prescribed in the Limited Partnerships Act 2008 or by the Limited Partnership Agreement.

General Partner to keep Limited Partners reasonably informed

6.8 The General Partner shall keep the Limited Partners reasonably informed of materially significant communications between the General Partner and the Manager including but not limited to formal notices, communications in respect of any disputes and communications in respect of any force majeure events.

Open bank account

6.9 The General Partner shall 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 Limited Partnership that are required to pay any accounts payable by the Limited Partnership.

Arrange appropriate insurance

6.10 The General Partner shall arrange appropriate insurance cover to protect the Partnership Assets and to protect the Limited Partnership from all reasonable commercial risks it is normal for a business of the nature and size of the Limited Partnership to take including cover for the responsibilities to the Limited Partnership of the General Partner and Manager.

Compliance with the law

- 6.11 The General Partner must procure that the requirements of the Limited Partnership Act 2008 and of any other legislation or regulations applicable to the Limited Partnership are complied with.

Best interests

- 6.12 The General Partner must act in the best interests of the Limited Partnership, in good faith, openly and honestly in conducting the Business. The General Partner may not compete with the Business of the Limited Partnership.

No conflict of interest

- 6.13 The functions and duties which the General Partner undertakes on behalf of the Limited Partnership are exclusive to the Limited Partnership and the General Partner may not perform similar functions and duties for itself and for other persons to ensure that there shall be no conflict of interest.

Liability of General Partner

- 6.14 The General Partner is jointly and severally liable with the Limited Partnership for the unpaid debts and liabilities of the Limited Partnership to the extent set out in the Limited Partnerships Act 2008. The General Partner is only liable for any debts or liabilities of the Limited Partnership to the extent that the Limited Partnership cannot pay those debts or liabilities.

No default

- 6.15 Notwithstanding anything else contained in the Limited Partnership Agreement, the General Partner shall be deemed not to default in the performance of any obligation under the Limited Partnership Agreement which requires the General Partner to expend funds for the Business of the Limited Partnership, in circumstances in which the General Partner has properly called for but failed to be provided by the Limited Partners or any of them with funds to enable the General Partner to perform such obligation.

Holding of Limited Partnership Assets

- 6.16 Subject to clause 9.2, the General Partner will arrange for legal title to all Limited Partnership Assets to be held by or in the name of the Limited Partnership.

7. Assignment / transfer of LP Units

(clause 8 of Limited Partnership Agreement)

Freedom to transfer is qualified

- 7.1 Every change in ownership of the LP Units arising from transmission, sale or otherwise shall be subject to the limitations and restrictions provided in the Limited Partnership Agreement.

No pre-emptive rights

- 7.2 Subject to the limitations in clause 8 of the Limited Partnership Agreement any LP Units may be sold or transferred by any Limited Partner without any requirement to first offer the LP Units to existing Limited Partners.

Execution and effectiveness of transfers

- 7.3 The instrument of transfer of any LP Units shall be executed by or on behalf of the transferor and by or on behalf of the transferee. The transferor shall be deemed to remain a holder of the LP Units until the General Partner notifies the Registrar of Companies in terms of section 59 of the Limited Partnerships Act 2008.

Transferee obligations

- 7.4 Upon transfer of any LP Units, the transferee shall:
- a. sign and deliver to the General Partner a Deed of Assignment and Covenant in any usual or common form which may be prescribed by law and as approved by the General Partner;
 - b. if the transferee was not prior to the transfer, a Limited Partner in the Limited Partnership, sign and deliver to the General Partner a Deed of Adherence in accordance with clause 8.3 of the Limited Partnership Agreement; and
 - c. pay the Limited Partnership's costs in approving and giving effect to the transfer of the LP Units to the transferee, such costs to be determined and apportioned between the transferor and transferee by the General Partner.

Transferor obligations:

- 7.5 Upon transfer of any LP Units, the transferor shall:
- a. sign and deliver to the General Partner a Deed of Assignment and Covenant in any usual or common form which may be prescribed by law and as approved by the General Partner; and
 - b. pay the Limited Partnership's costs in approving and giving effect to the transfer of the LP Units and the shares in the General Partner to the transferee, such costs to be determined and apportioned between the transferor and transferee by the General Partner.

General Partner may refuse transfer

- 7.6 Subject to compliance with the provisions of the Limited Partnerships Act 2008, the General Partner may refuse to register any transfer of LP Units where:
- a. any liability to the Limited Partnership by the Limited Partner has not been fully satisfied.
 - b. the Deed of Assignment and Covenant is not accompanied by the certificate of the LP Units to which it relates and/or such other evidence as the General Partner may reasonably require to show the right of the transferor to make the transfer;
 - c. the transferee has not confirmed that it is not an Overseas Person, or notwithstanding such confirmation, the General Partner is not satisfied in its sole judgement that the transferee is not an Overseas Person;
 - d. as a result of the transfer the transferee would hold a Partnership Interest of 25% or more of all LP Units in the Limited Partnership; or
 - e. the General Partner acting in good faith decides in its absolute discretion that the transfer of the LP Units would not be in the best interests of the Limited Partnership or any of its Limited Partners.

If the General Partner refuses to register a transfer, it shall within 5 Business Days of the date on which the General Partner resolved to refuse to register the transfer, notify both the transferor and the transferee of the refusal and if necessary return any transfer documentation to the transferor or the transferee, as appropriate, and return any consideration for the transfer that the General Partner may hold to the transferee.

Suspension of registration

- 7.7 The registration of transfers may be suspended at such times and for such periods as the General Partner may from time to time determine provided that registration shall not be suspended for more than 30 days in any year.

8. Meetings of Partners

(clause 13 of Limited Partnership Agreement)

Statutory Meetings

- 8.1 The General Partner must;
- a. summon a meeting of the Limited Partners for the purpose of considering the latest financial statements of the Limited Partnership, which meeting must be held not later than the timeframe after the end of the accounting period of those statements required by any applicable legal obligation of the Limited Partnership; and
 - b. at the request in writing of the Statutory Supervisor, or of Limited Partners holding not less than 10% of the LP Units, summon a meeting of the Limited Partners for the purpose of giving to the Statutory Supervisor their opinions or directions in relation to the exercise of its powers.
- 8.2 The Statutory Supervisor may on its own volition or at the request of the General Partner, and must at the request in writing of Limited Partners holding not less than 10% of the LP Units, summon a meeting of the Limited Partners for the purpose of giving to the Statutory Supervisor their opinions or directions in relation to the exercise of its powers.
- 8.3 Every meeting summoned under this clause 8 must be summoned by sending by post a notice, specifying the time and place of the meeting, to every Limited Partner at the Limited Partner's last known address not less than 10 Business Days before the date of the proposed meeting.
- 8.4 The Statutory Supervisor may appoint a person to be chairperson of the meeting summoned under this clause 8. In the event that no such chairperson is appointed, the Limited Partners present at any meeting shall choose one of their number or the proxy or attorney of a Limited Partner to be chairperson of the meeting.
- 8.5 The General Partner must provide the Statutory Supervisor with a copy of the Partnership Unit Register kept under section 51 of the Limited Partnerships Act 2008, and of all changes to the register.

Other meetings

- 8.6 In addition to the meetings required in clause 8.1, the General Partner shall call a meeting of Partners at the discretion of the General Partner for any reason.

Proceedings at meetings

- 8.7 Unless the rules relating to statutory meetings under clause 8.1 require otherwise, the provisions in Schedule 1 shall govern the convening of meetings and proceedings at meetings. The rules contained in Schedule 1 may be altered from time to time in accordance with clause 11.2.

Circulation of minutes of annual meeting

- 8.8 If the only business at the meeting summoned by the General Partner in terms of clause 8.1a is the consideration of the financial statements of the Limited Partnership, the General Partner shall send to every Limited Partner and the Statutory Supervisor a copy of the minutes prepared in accordance with paragraph 10 of Schedule 1 with the notice of

the next meeting summoned in terms of clause 8.1a unless the General Partner exercises its discretion to circulate the minutes at an earlier date.

9. **Statutory Supervisor**

Statutory Supervisor must hold a licence

- 9.1 The Statutory Supervisor warrants that it holds and will continue to hold during the term of this Deed a licence under the Securities Trustees and Statutory Supervisors Act 2011 that permits the Statutory Supervisor to act as the statutory supervisor in respect of the securities under this Deed.

Duties of Statutory Supervisor

- 9.2 Except where the Statutory Supervisory decides that it would be impracticable to do so, in which case clauses 9.2 to 9.5 will apply mutatis mutandis (with the necessary changes), the Statutory Supervisor will be registered as the proprietor of the Limited Partnership's land in trust for the Limited Partners as tenants in common in the same proportion that the number of LP Units held by each Limited Partner bears to the total number of LP Units in the Limited Partnership.
- 9.3 The Limited Partners delegate to the Statutory Supervisor all the powers, authorities and discretion vested in them as beneficial owners of the Limited Partnership's land to be exercised by the Statutory Supervisor on behalf of the Limited Partnership.
- 9.4 The Statutory Supervisor covenants and agrees with the Limited Partners to execute as the legal owner of the Limited Partnership's land any document, deed, mortgage, pledge, encumbrance or transfer of any property of the Limited Partnership or any part thereof at the request of the General Partner.
- 9.5 The Statutory Supervisory shall hold all income, profits, accretion and capital arising from the ownership of the Limited Partnership's land for the Limited Partners absolutely in accordance with their respective Partnership Interests.
- 9.6 The Statutory Supervisor shall exercise reasonable diligence to ascertain whether or not any breach of the terms of this Deed or of the issue of the LP Units has occurred and, except where it is satisfied that the breach will not materially prejudice the interests of the Limited Partners shall do all such things as it 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 General Partner fulfils its duties and obligations under this Deed.

Right to receive notices

- 9.7 The Statutory Supervisor shall be entitled to receive all notices and other communications relating to the Limited Partnership which any Limited Partner is entitled to receive.

Right to attend meetings

- 9.8 The Statutory Supervisor, or any representative of the Statutory Supervisor (being a person authorised to act for the purposes of this clause 9 by the Statutory Supervisor), shall be entitled to attend any meeting of the Limited Partnership and to be heard at any such meeting on any part of the business of the meeting that concerns the Statutory Supervisor as a statutory supervisor or concerns the Limited Partners.

Right to obtain information

- 9.9 The General Partner shall from time to time:
- a. at the request in writing of the Statutory Supervisor, make available for its inspection the whole of the accounting and other records relating to the Limited Partnership;

- b. give to the Statutory Supervisor such information as it requests with respect to all matters relating to such records; and
- c. give to the Statutory Supervisor notice of any matter or circumstances that arises which may materially adversely affect the interests of the Limited Partners or the Limited Partnership and shall give notice of any change in the effective management or control of the General Partner.

Act on opinion or advice

- 9.10 The Statutory Supervisor may act upon the opinion or advice of, or upon statements of or information in relation to the Limited Partnership obtained from any solicitor, banker, accountant, broker or other person believed by the Statutory Supervisor to be expert in relation to the matters on which that person is consulted and the Statutory Supervisor shall not be liable for anything done or suffered by it in good faith in reliance upon such opinion, advice, statements or information.

Act in other capacities

- 9.11 Nothing in this Deed shall be deemed to prohibit the Statutory Supervisor or any Related Company of the Statutory Supervisor or any shareholder or officer of the Statutory Supervisor (each a "**Relevant Person**") from being a Limited Partner or from acting in any representative capacity for a Limited Partner and, in particular and without prejudice to the generality of this clause 9.11, any Relevant Person may so act on its own account or as executor, administrator, trustee, receiver or attorney or agent or in any other fiduciary, vicarious or other professional capacity for a Limited Partner and the acting in any such capacity shall not be deemed a breach of any of the obligations arising out of any fiduciary relationship created by this Deed or imposed or implied by law.

Termination of appointment

- 9.12 The appointment of the Statutory Supervisor under this Deed shall (subject to the provisions of the Securities Act) be terminated forthwith if the Statutory Supervisor:
- a. ceases to hold a licence under the Securities Trustees and Statutory Supervisors Act 2011 in accordance with clause 9.1;
 - b. ceases to carry on business or if a liquidator or provisional liquidator is appointed (except for the purpose of amalgamation or reconstruction); or
 - c. has a receiver or receiver and manager appointed who is not removed or withdrawn within 20 days after appointment.

Retirement

- 9.13 The Statutory Supervisor may (subject to the provisions of the Securities Act) retire upon giving 3 months' written notice to the General Partner of its desire to do so or on the appointment of a new statutory supervisor (whichever is the later in time).

Termination on notice

- 9.14 The General Partner may (subject to the provisions of the Securities Act) terminate the appointment of the Statutory Supervisor by giving 3 months' written notice to the Statutory Supervisor.

New Statutory Supervisor

- 9.15 On the termination of the Statutory Supervisor's appointment or the retirement of the Statutory Supervisor the General Partner shall forthwith, subject to any approval required by law, appoint in its place some other person who is a trustee corporation, which is

licensed and, where necessary, approved by the Financial Markets Authority, to be the Statutory Supervisor.

Transition to new Statutory Supervisor

- 9.16 The new Statutory Supervisor shall execute a deed of undertaking to the General Partner and the Limited Partners to be bound by all the obligations of the Statutory Supervisor 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 the 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 remains liable for any antecedent breach of this Deed.

Limitation of liability

- 9.17 The Statutory Supervisor in taking or omitting any action for or in connection with the affairs of the Limited Partnership shall be deemed to be acting for and on behalf of the Limited Partnership. Subject to clause 9.16, the Statutory Supervisor shall not be liable to the Limited Partnership or to any Partner for any act or omission or be subject to any liability whatsoever at law or in equity in connection with the affairs of the Limited Partnership or as a result of acting as Statutory Supervisor under this Deed.

Indemnity and lien

- 9.18 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 Limited Partnership Assets 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 where the Statutory Supervisor has failed to show the degree of care and diligence required having regard to the provisions of this Deed conferring on the Statutory Supervisor any powers, authorities and discretions. The Statutory Supervisor may retain or 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 provided in this Deed. The Statutory Supervisor shall have a lien on the Limited Partnership Assets from time to time in the possession of, or control of, the Statutory Supervisor for all moneys payable to it under this clause 9.18 or otherwise howsoever arising out of or in connection with this Deed.

Release

- 9.19 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 omissions or on the Statutory Supervisor ceasing to act, but only where such release is given by the General Partner.

Remuneration

- 9.20 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 Statutory Supervisor shall be entitled to remuneration at such rate as may be from time to time agreed by the General Partner 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 Limited Partnership.

10. Termination and Liquidation

(clause 11 of Limited Partnership Agreement)

Termination of Limited Partnership

- 10.1 The General Partner shall dissolve the Limited Partnership and distribute any remaining Partnership Assets to the Limited Partners as soon as practical after all investments have been disposed of and all liabilities of the Limited Partnership have been satisfied and the proceeds have been distributed pursuant to clause 5.2.
- 10.2 The Limited Partnership shall be dissolved and this Deed will terminate before all investments have been realised if a Terminating Event occurs under the Limited Partnership Agreement.

Dissolution process

- 10.3 Upon dissolution of the Limited Partnership (but before any liquidation takes place under the Limited Partnerships Act 2008), the General Partner shall:
- a. cause a full and general account to be taken of all assets, interests, debts and liabilities of the Limited Partnership as soon as practicable after the date of dissolution;
 - b. cause final accounts of the Limited Partnership to be drawn up and audited and must furnish those audited accounts to each Limited Partner; and
 - c. after furnishing the final accounts of the Limited Partnership, pay to each Limited Partner any money that may be due to that Limited Partner, as well as distributing to each Limited Partner that Limited Partner's share of the net proceeds of the realisation of the interests and Limited Partnership Assets (less debts or expenses incurred by the General Partner in the dissolution).

Obligations to survive

- 10.4 Termination or deregistration of the Limited Partnership will not affect any parties' rights and obligations under the Limited Partnership Agreement which are intended to survive such termination or deregistration and will be without prejudice to, and will not be deemed a waiver of, any claim which any party may have against any other party for any breach or other failure to comply with any term or condition of the Limited Partnership Agreement before the termination date.

Provisions surviving termination

- 10.5 In the event that the Limited Partnership Agreement is terminated pursuant to this clause 10, then notwithstanding any other provisions of the Limited Partnership Agreement, the provisions identified by clause 11.2 of the Limited Partnership Agreement are to survive such termination.

Liquidation of interests of Partners

- 10.6 On the occurrence of a Terminating Event, no further Business is to be conducted except for such action as necessary for completing a transaction unfinished at the time of termination, winding-up of the affairs of the Limited Partnership and the distribution of the Limited Partnership Assets amongst the Partners in proportion to their Partnership Interests.

11. General Provisions

Statutory Provisions

- 11.1 In the event of any conflict between this Deed and the statutory provisions provided in Schedule 17 to the Securities Regulations then such statutory provisions shall prevail.

Amendment of Deed

- 11.2 This Deed may be altered, modified, added to or varied if the Statutory Supervisor and the General Partner agree, or if the same is required to comply with the provisions of the Securities Act or regulations under the Securities Act.

Waiver

- 11.3 No party shall be deemed to have waived any right under this Deed unless such waiver is in writing and signed by such party. Any such waiver by a party of a breach of any provision of this Deed shall not constitute a waiver of any subsequent or continuing breach of such provision, or of the breach of any other provision, of this Deed by that party.

Partial Invalidity

- 11.4 If any provision of this Deed contravenes any law applicable to it and is as a consequence illegal, invalid or unenforceable then:
- a. where the contravening provision can be read down so as to give it a valid and enforceable operation of a partial nature, it must be read down to the minimum extent necessary to achieve that result; and
 - b. in any other case the contravening provision must be severed from this Deed, in which have been the remaining provisions of this Deed as if the severed provision had not been included.

Further Assurances

- 11.5 Each of the parties agrees to execute and deliver any documents and to do all things as may reasonably be required by the other party or parties to obtain the full benefit of this Deed according to its true intent.

Counterparts

- 11.6 This Deed may be executed in any number of counterparts (including facsimile copies) all of which, when taken together, will constitute one and the same instrument. A party may enter into this Deed by executing any counterpart.

Signed by

Signed by **Braemore Forest Limited** as
General Partner:

Director's signature

Director's signature

Director's full name

Director's full name

Signed by **Braemore Forest Limited** on
behalf of Braemore Forest Limited
Partnership:

Director's signature

Director's signature

Director's full name

Director's full name

Signed by **Covenant Trustee Services
Limited**:

Director's signature

Director's signature

Director's full name

Director's full name

SCHEDULE 1

Rules for convening and conducting meetings of the Limited Partnership (Unless the rules relating to statutory meetings under clause 8.1 require otherwise)

1. Place

All meetings of the Limited Partnership shall be held in the proximity of the offices of the General Partner or the location of the Business of the Limited Partnership, or such other reasonable place as determined by the General Partner.

2. Chairperson

2.1 The Statutory Supervisor may appoint a person to be chairperson of the meeting.

2.2 In the event that no such chairperson is appointed, the Limited Partners present at any meeting shall choose one of their number or the proxy or attorney of a Limited Partner to be chairperson of the meeting.

3. Notice of meetings

3.1 Written notice of the time and place of a meeting of the Limited Partnership must be sent to every Limited Partner entitled to receive notice of the meeting and to every director of the General Partner, to the Auditor, and to the Statutory Supervisor not less than 10 Business Days before the date of the meeting.

3.2 The notice must state:

- a. the nature of the business to be transacted at the meeting in sufficient detail to enable a Limited Partner to form a reasoned judgment in relation to it; and
- b. the text of any resolution to be submitted to the meeting where the resolution is known at the time that notice is given; and
- c. that the resolution is to be decided by poll where it is intended at the time giving notice that the resolution be decided by poll.

3.3 If the notice sets out the text of any resolution to be submitted to the meeting, the notice must state that Limited Partners are entitled to vote by postal vote and a postal voting form must be included with the notice.

3.4 An irregularity in a notice of a meeting is waived if all the Limited Partners entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Limited Partners agree to the waiver.

3.5 The accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by, a Limited Partner does not invalidate the proceedings at that meeting.

4. Methods of holding meetings

4.1 A meeting of the Limited Partnership may be held either:

- a. by a number of Limited Partners, who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; and
- b. at the discretion of the General Partner after consultation with the Statutory Supervisor, may allow persons who are not able to be personally present at the meeting to participate in the meeting by means of audio, audio and visual, or electronic communication).

5. Quorum

- 5.1 No business may be transacted at a meeting of the Limited Partnership if a quorum is not present.
- 5.2 A quorum for a Limited Partnership meeting is present if Limited Partners, or their attorneys or proxies are present or have cast postal votes that are between them able to exercise not less than 25% of total LP Units (excluding LP Units of Defaulting Partners) at the time of the meeting of the Limited Partners. If a quorum is not present within 30 minutes after the time appointed for the meeting:
- a. in the case of a meeting called under clause 8.1b, the meeting is dissolved;
 - b. in the case of any other meeting, the meeting will be held and the Limited Partner or Limited Partners, if present in person or represented by proxy or by attorney, shall be a quorum.

6. Right to attend and speak

- 6.1 The General Partner, the Manager, the Statutory Supervisor, and the Auditor (or any representatives of any of those persons) shall have the right to attend and speak at any meeting of the Limited Partnership.

7. Voting

- 7.1 In the case of a meeting of the Limited Partnership held under paragraph 4.1a of this Schedule, unless a poll is required in the notice of meeting or demanded at the meeting, voting at the meeting shall be by the Limited Partners signifying individually their assent or dissent by show of hands and each Limited Partner who has submitted a postal vote for or against the resolution shall be counted.
- 7.2 A Limited Partner shall not be required to exercise in the same manner the votes attaching to all of the LP Units held by that Limited Partner.
- 7.3 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.
- 7.4 Any reference to an Ordinary Resolution in this Schedule means a Resolution of the Limited Partnership as that term is defined in the Limited Partnership Agreement.
- 7.5 Any reference to a Special Resolution in this Schedule means a Special Resolution of the Limited Partnership as that term is defined in the Limited Partnership Agreement.
- 7.6 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with paragraph 7.8.
- 7.7 The chairperson of a meeting must call for a poll on a resolution on which he or she holds sufficient postal votes that he or she believes that if a poll is taken the result may differ from that obtained on a show of hands.
- 7.8 At a meeting of the Limited Partnership a poll may be demanded by:
- a. not less than 10% of Limited Partners having the right to vote at the meeting; or
 - b. a Limited Partner or Limited Partners representing not less than 10% of the total voting rights of all Limited Partners having the right to vote at the meeting; or
 - c. the chairperson of the meeting.

- 7.9 A poll may be demanded either before or after the vote is taken on a resolution.
- 7.10 If a poll is taken, votes must be counted according to the votes attached to the shares of each Limited Partner present in person or by proxy and voting and the votes of each Limited Partner who has submitted a postal vote for or against the resolution shall be counted.
- 7.11 For the purposes of this paragraph 7, the instrument appointing a proxy to vote at a meeting of the Limited Partnership confers authority to demand or join in demanding a poll and a demand by a person as proxy for a Limited Partner has the same effect as a demand by the Limited Partner.
- 7.12 The chairperson of a meeting must ensure that the certificate of postal votes for each resolution for which postal votes are cast is annexed to the minutes of the meeting.
- 7.13 An Ordinary Resolution or Special Resolution passed in accordance with this Schedule is final and binding on all Partners.

8. Proxies

- 8.1 A Limited Partner may exercise the right to vote either by being present in person or by proxy.
- 8.2 A proxy for a Limited Partner is entitled to attend, to speak and to vote at a meeting of the Limited Partnership as if the proxy were the Limited Partner.
- 8.3 A proxy must be appointed by notice in writing signed by the Limited Partner and the notice must state whether the appointment is for a particular meeting or a specified term.
- 8.4 A proxy is not effective unless it is produced to the General Partner at the registered office of the Limited Partnership at least 48 hours before the start of the meeting.

9. Postal Votes

- 9.1 A Limited Partner may exercise the right to vote on any resolution set out in the notice of meeting by casting a postal vote in accordance with the provisions of this paragraph 9.
- 9.2 The postal voting form circulated with the notice of meeting will list each resolution and the Limited Partner may cast its votes on each resolution in the boxes provided.
- 9.3 To be counted, a Limited Partner's correctly completed postal voting form must be returned to the General Partner at the Registered Office of the Limited Partnership not less than 2 Business Days before the start of the meeting. The General Partner must reject any postal voting form and not count any votes attempted to be cast in any postal voting form that in its sole discretion is not correctly completed. The General Partner must act reasonably in exercising its discretion.
- 9.4 It is the duty of the General Partner:
- a. to receive and count the postal votes received for a meeting; and
 - b. in relation to each resolution for which postal votes have been received, to count and calculate:
 - i. the number of Limited Partners voting in favour of the resolution;
 - ii. the number of votes cast (each vote representing one LP Unit) by each Limited Partner in favour of the resolution;

- iii. the number of votes cast in favour of the resolution as a percentage of the total votes cast;
- iv. the number of Limited Partners voting against the resolution;
- v. the number of votes cast (each vote representing one LP Unit) by each Limited Partner against the resolution;
- vi. the number of votes cast against the resolution as a percentage of the total votes cast;
- vii. the number of Limited Partners casting invalid votes;
- viii. the number of invalid votes cast (each vote representing one LP Unit) by Limited Partners; and
- ix. the number of invalid votes cast as a percentage of the total number of votes cast.

9.5 It is the duty of the General Partner:

- a. to sign a certificate which sets out the results of the counts and calculations required by paragraph 9.4;
- b. to ensure that the certificate required by paragraph 9.5a is presented to the chairperson of the meeting;
- c. to retain all voting forms for scrutiny by the Statutory Supervisor in the event of any dispute or challenge to the result of the voting.

10. **Minutes**

10.1 The Limited Partnership shall cause minutes of all proceedings of general meetings of the Limited Partnership to be entered into books kept for that purpose at the office of the General Partner or such other place as the Statutory Supervisor may approve and the books shall be open at all reasonable times for inspection by any Limited Partner. The minutes of any meetings shall be confirmed as soon as practicable after the meeting to which they relate and shall be signed by the chairperson of the meeting to which they relate. 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.

11. **Corporations may act by representatives**

11.1 A body corporate which is a Limited Partner may appoint a representative to attend a meeting of Limited Partners on its behalf in the same manner as that in which it could appoint a proxy.

12. **Votes of joint holders**

12.1 Where two or more persons are registered as the holder of a share, the vote of the person named first in the Partnership Unit Register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

13. **Loss of voting right if in default**

13.1 Subject to the Limited Partnership Agreement, if a Limited Partner is in default under clause 3.7 of the Limited Partnership Agreement, no LP Units held by that Defaulting Partner may be voted at a Limited Partnership meeting.

14. **Other proceedings**

- 14.1 Except as provided in this Schedule, and subject to the Limited Partnership Agreement, a meeting of the Limited Partnership may regulate its own procedure.