



15th October 2015

To the Partners of McQuade Forest Limited (Special Partnership) now Limited Liability Partnership (effective 1 April 2015)

As a result of a request by the Directors of FRSL for an extension to existing terms of the Loan as detailed in the notes to the financial statements, the Bank of New Zealand approved such request, however in drafting the loan documents the BNZ made a material error by changing the existing terms of Guarantees granted by the Forest over its assets of tree stock. The terms of guarantee had not changed, however this error of granting unlimited guarantees was disclosed by way of Note to the Financials based on signed documentation by the directors. To correct this material error all BNZ Loan documents were required to be reissued, requiring resigning and caused a timing issue with the re-issue of the amended financial statements which correctly reflect the unaltered terms of guarantees.

The Directors apologise for this delay and any inconvenience this may have caused.

Yours faithfully

A handwritten signature in blue ink, appearing to be "P. Bould", with a long, sweeping tail that extends to the right.

Peter Bould

A handwritten signature in blue ink, appearing to be "P. Martin", with a long, horizontal stroke extending to the right.

Peter Martin