

Great Southern 2008 High Value Timber Project

ARSN 123 529 233 (Project)

Meeting of Members

to be held at 1.30pm on 28 July 2014 at The Presidents Room, Celtic Club, 48 Ord Street, West Perth WA

Meeting Booklet

Important Notices

Meeting Booklet (Booklet)

This Booklet contains information about the meeting of Members called to consider the winding-up of the Great Southern 2008 High Value Timber Project ARSN 123 529 233 (Project) on the terms set out in the Booklet.

Your vote is important. The meeting of Members is to be held at 1.30pm (Perth time) on 28 July 2014 at The Presidents Room, Celtic Club, 48 Ord Street, West Perth WA. If you cannot attend in person, please complete and return the proxy form enclosed with this Booklet to Lowell at the address stated on the proxy form by ***no later than 48 hours prior to the Meeting.***

In preparing the Booklet, Lowell has not considered your objectives, financial situation or needs. Accordingly, before acting on any information, opinion or recommendation in the Booklet, you should consider it having regard to your objectives, financial situation and needs.

This is an important document. Please read the information in this Booklet very carefully. If you do not understand the document or are in doubt as to the course you should follow, you should consult your professional advisor.

Disclosure about forward-looking statements

Certain statements in this Booklet relate to future matters. Such statements are not based on historical fact but reflect the expectations of Lowell. They may be identified by forward-looking words such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'plan', 'potential', 'propose', 'should' or similar words and phrases. These forward-looking statements are not guarantees of future performance or actions.

Changes

Circumstances may change between the date of this Booklet and the Meeting of Members. Material changes will be communicated to Members by way of update posted on the Lowell website at www.lowellcapital.com.au.

Members are strongly encouraged to check the website regularly for any updates. Lowell will email you any update if it has your email address. If you want to ensure Lowell has your correct email address, email Lowell at reception@terraincapital.com.

Glossary

A Glossary of the capitalised terms used in this Booklet is contained in Part D.

Date

This Booklet is dated 27 June 2014

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A. Chairman's Letter

Introduction

As advised previously Lowell has been considering the restructure of the 2007 and 2008 tree schemes – referred to in this Booklet as the GSHVT Projects - as well as the Land Scheme - which owns the land on which the tree schemes operate - to provide a more efficient and better funded operation. The Directors of Lowell consider the best way to do this is to voluntarily wind up the tree schemes and then offer Growers the opportunity to participate in the Land Scheme as a combined land and trees scheme on the terms set out in the Land Scheme PDS, a copy of which is enclosed with this Booklet. You should read the Land Scheme PDS along with this Booklet.

The restructure of the GSHVT Projects is conditional on a number of matters, including members of those projects voting to wind them up. The purpose of this meeting is to put the resolutions to Members necessary to wind up the GSHVT Projects.

Background and summary of proposal

The background and a summary of the proposal are set out in sections 1 and 2 of the Explanatory Memorandum. In summary the proposal is as follows:

- There are currently three schemes, being the GSHVT Projects and the Land Scheme;
- Lowell proposes to wind up the GSHVT Projects leaving the Land Scheme;
- The Land Scheme will assume debts of the GSHVT Projects to enable them to be wound up;
- Growers are given the opportunity to participate in the Land Scheme under the Land Scheme PDS and can obtain an interest in the combined scheme equivalent to their proportional interests in the GSHVT Projects by doing so, or increase their proportional interests if other Growers do not fully participate.

The GSHVT Projects

For the reasons set out in section 4 of the Explanatory Memorandum, the GSHVT Projects are not viable in their current form as:

- Grower contributions have declined and do not meet the running costs of the GSHVT Projects – see paragraphs 4.9 through 4.14 of the Explanatory Memorandum;
- The primary creditor of the GSHVT Projects is the forestry manager, AMAT. AMAT has previously agreed to convert debt into interests in the GSHVT

Projects. There is no certainty that AMAT will continue to do so – see paragraphs 4.3 through 4.7 of the Explanatory Memorandum;

- Additional income assumptions have not materialised and have jeopardised the tax deductibility of contributions – see paragraphs 4.16 through 4.18 of the Explanatory Memorandum;
- Costs have been significantly higher than anticipated – see paragraph 4.19 of the Explanatory Memorandum;
- The condition of the teak trees in Queensland have deteriorated due to cyclones, flood and lack of maintenance funding – see paragraphs 4.21 through 4.25 of the Explanatory Memorandum.

Lowell has considered alternative scenarios to the current proposal but has rejected them. Funding outside of member contributions is not available in the current environment as the asset, being a leasehold interest over immature trees, is not attractive. The alternative of a winding up of the GSHVT Projects and the Land Scheme and distribution to members of those schemes now would mean that members would miss out on the value of mature trees – see section 2.1 of the Land Scheme PDS for further information.

Benefits and disadvantages of the proposal

The benefits and disadvantages of the proposal are set out in sections 5 and 6 of the Explanatory Memorandum. Growers are being asked to give up leasehold and other forestry rights they have through the GSHVT Projects over the Land and in return are being offered the opportunity to participate in the Land Scheme. The costs of participation in the Land Scheme are fully described in the Land Scheme PDS, in particular in section 5 of the Land Scheme PDS.

As costs to members under the Land Scheme are less than the costs have been under the GSHVT Schemes, the major disadvantage is to those Growers who decide not to participate in the Land Scheme, where the restructure proposal goes ahead. Those members will lose their interests in the GSHVT Projects, which will be wound up, and will have no interest in the Land Scheme.

If the resolutions put to this meeting are not carried or if the other preconditions are not met (such as where eligible Growers subscribe for less than 70% of the units available under the offer set out in the Land Scheme PDS), the restructure proposal will not proceed. If the restructure proposal does not proceed, Lowell will consider alternative options, the most likely of which is a winding up of the GSHVT Projects and Land Scheme.

Related party resolution

Resolution 3 concerns the surrender of leases and is a related party transaction by reason of the fact that Lowell acts in a number of different capacities including as both the lessor as responsible entity of the Land Scheme and the lessee as responsible entity (**RE**) of the GSHVT Projects. Lowell receives a benefit under the proposed restructure in common with the other members of the GSHVT Projects and otherwise only receives benefits on behalf of the members of the Land Scheme and the GSHVT Projects by being released from lessor or lessee obligations respectively. This benefit, however, also results in Lowell forfeiting fees as RE of the GSHVT Projects, and Lowell does not consider this benefit to be material. As Lowell has an interest in the resolution other than as a member, Lowell will not vote its interests in the Project in relation to Resolution 3.

Tax implications

Tax implications, including the effect of the Proposal on deductions previously claimed by Growers are discussed in section 7 of the Explanatory Memorandum. Members should seek their own tax advice based on their own circumstances.

Recommendation of Directors

Each director of Lowell considers that the restructure proposal is in the best interests of Growers and recommends that growers vote in favour of each resolution to be put to this meeting. The reasons for doing so are as set out in the Booklet, but in essence are as follows:

- The GSHVT Projects are not viable in their current form;
- The combined scheme involves one lower cost scheme in comparison to 3 schemes where the combined scheme owns both the Land and the trees on it, giving members an asset to sell once the Land Scheme's purpose has been completed;
- The restructure proposal allows the trees to mature and maximises their value to members. Other alternatives would require the sale of the Land now while the trees are immature and of less value.

I recommend that you read this Booklet and the Land Scheme PDS carefully before making any decision concerning the resolutions to be put to this meeting, and look forward to discussing the resolutions at the meeting.

Michael Ramsden
Chairman

B. Notice of Meeting

Lowell Capital Limited ACN 006 844 588 (**Lowell**) as responsible entity of the Great Southern 2008 High Value Timber Project ARSN 123 529 233 (**Project**), gives notice pursuant to Section 252A of the *Corporations Act* 2001 (Cth) (**Corporations Act**) that a meeting of all members of the Project (**Members**) will be held on:

Time and Date: 1.30pm on 28 July 2014

Place: The Presidents Room, Celtic Club, 48 Ord Street,
West Perth WA

(Meeting)

Chair: Michael Ramsden

The business of the Meeting will be to consider, and if thought fit, pass the following:

Special Resolution 1 – a special resolution directing the responsible entity to wind up the Project

*'That, subject to the passing of Special Resolution 2 and Ordinary Resolution 3 at this meeting, Lowell Capital Limited as responsible entity of the Great Southern 2008 High Value Timber Project ARSN 123 529 233 (**Project**) winds up the Project in accordance with:*

- 1. the requirements of clauses 36 and 37 of the Constitution and the Corporations Act 2001; and*
- 2. the proposed process set out in the Explanatory Memorandum accompanying the Notice of Meeting,*

conditional upon the winding-up of the Great Southern 2007 High Value Timber Project ARSN 123 528 950 commencing within 6 months of the date of the conclusion of this meeting.'

Special Resolution 2 – a special resolution to amend the Constitution to grant the responsible entity a power of attorney to give effect to the winding up including unencumbering the land

'That, subject to the passing of Special Resolution 1 and Ordinary Resolution 3 at this meeting, the Constitution of the Project be amended in accordance with the amendments set out in section 8 of the Explanatory Memorandum and that Lowell Capital Limited ACN 006 844 588 in its capacity as responsible entity of the Project be authorised to do all things necessary to implement the amendments to the Constitution including executing and lodging a supplemental deed with the Australian Securities and Investment Commission.'

Ordinary Resolution 3 – an ordinary resolution to approve the surrender of leases as part of a winding up

'That, subject to the passing of Special Resolution 1 and Special Resolution 2 at this meeting, for the purpose of Chapter 2E and section 601LC of the Corporations Act 2001 (Cth) and for all other purposes, members approve Lowell Capital Limited in its capacity as responsible entity of the Project entering into the Surrender Arrangements described in section 9 of the Explanatory Memorandum.'

Part E of this Booklet contains information about voting procedure and eligibility. Lowell expects that the value of a Member's vote will be reduced in proportion to the extent to which it has not made contributions to the Project as at 9am AEDT on the Business Day before the poll is taken.

The Proxy Form is enclosed with this Booklet.

Interconditionality

Please note that each of the resolutions is conditional on the other being passed. Therefore for the winding up to proceed, all the resolutions must be passed.

Further Information

Further information regarding the proposed Resolutions is set out in Part C of this Booklet.



By order of the Board

Michael Ramsden
Chairman

C. Explanatory Memorandum

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1. Background

- 1.1 This Explanatory Memorandum (**EM**) relates to the proposed meeting of the Members in the Great Southern 2008 High Value Timber Project ARSN 123 529 233 (**Project**), scheduled for 28 July 2014 (**Meeting**). It is issued by Lowell Capital Limited ABN 60 006 844 588 (**Lowell**) in its capacity as responsible entity for the Project. Lowell has prepared this EM based on information within its knowledge or provided by its advisors.
- 1.2 This EM summarises the proposal to wind up the Project and information which it is essential you consider in making a decision whether to vote in favour of, or against, that proposal (**Proposal**) and associated Resolutions giving effect to matters related to the Proposal. You should carefully consider this EM in light of your personal circumstances and seek professional advice from your licensed financial advisor and taxation advisor before deciding whether and how to vote in relation to the Proposal.

2. Summary of winding-up proposal

- 2.1 Lowell acts as responsible entity for the Project. The Project itself was registered as a managed investment scheme on 24 January 2007. In the course of 2010, a proposal was given effect to restructure the Project (2010 Restructure) by:
 - 2.1.1 appointing Lowell as the new replacement responsible entity of the Project;
 - 2.1.2 providing for annual contributions to be made by Growers to the Project over the first 5 years after Lowell's appointment (**Five Year Period**);¹ and
 - 2.1.3 other consequential changes to be made to give effect to the 2010 Restructure.
- 2.2 The 2010 Restructure was necessary because of the collapse of the Great Southern group of companies. When that happened, the receivers of Great Southern Managers Australia Limited (GSMAL), which was then the current responsible entity of the Project, caused GSMAL to issue a notice to Growers in February 2010 advising that it intended to wind up the Project.
- 2.3 The core issue for the Project was meeting the ongoing costs associated with operating it. Accordingly the essence of the 2010 Restructure was to source the revenue required to operate the Project from:

¹ **Year 1** is 4 June 2010 to 3 June 2011. The Project is currently in **Year 5** – being 4 June 2014 to 3 June 2015.

- 2.3.1 annual contributions by Growers over the Five Year Period; and
- 2.3.2 income generated by turning certain tracts of land leased by the Project (**Project Land**) to income producing purposes other than growing trees.

2.4 The model brought about by the 2010 Restructure has not ensured the Project's viability. In short:

2.4.1 Concerning Growers' annual contributions:

- (a) Each Grower in the Project is required to contribute \$100 per annum in respect of each woodlot which the Grower owns, covering the first 5 years of the Project. In the first year, Growers could elect to pay \$400 in satisfaction of the full amount of \$500 which would otherwise be due and payable over the first 5 years.
- (b) Initial Grower participation was strong. The first year Contributions for both the Project and the Other Project totalled \$1.85m, of which \$700,000 represented the reduced payment of \$400 for five years.
- (c) Total revenue paid by Growers in the Project and the Other Project has since been as follows:

2012	2013	2014
\$227,000	\$300,000	\$281,000

- (d) As set out in the Land Scheme PDS, the estimated costs of running the Land Scheme in a single 'land and trees' scheme (**Combined Scheme**) until final harvest are \$550,000 per year. This is commensurate with the current operating costs of all 3 schemes. This demonstrates, therefore, that the revenue shortfall has been significant and has materially affected Lowell's capacity to properly operate the Project (and the Other Project). The annual contributions have been significantly less than required and expected, while costs as discussed below have been higher than anticipated, Grower participation is not at levels required to sustain the Project and the Other Project.
- (e) Lowell notes that as a Combined Scheme these operating costs will not be dramatically altered, however, there will be savings as a result of administrative and other costs for one scheme being less than for 3.

2.4.2 Concerning income from using the Project Land other than for growing trees, the Australian Taxation Office ruled this out by indicating that it could not provide the 2010 tax rulings – which ensured the continued deductibility of Growers' annual contributions – if such activity was to occur on the Project Land.

2.5 Accordingly, the position of Lowell and its directors is that:

2.5.1 the Project is no longer viable in its current form;

2.5.2 the Project has no adequate or reliable revenue sources;

2.5.3 the Project cannot continue to rely on its creditors deferring trading terms;

2.5.4 the level of Grower participation is such that further restructuring of the Project would be fruitless;

2.5.5 the Project's purpose cannot be achieved; and

2.5.6 Growers should pass:

(a) a special resolution in favour of winding up the Project;

(b) a special resolution amending the Project's Constitution (**Constitution**); and

(c) an ordinary resolution to approve the Surrender Arrangements (see paragraph 2.6.2 below),

on the basis set out in this EM.

2.6 The proposal to wind up the Project is made on the basis that by doing so Growers will have the opportunity to participate in a single 'land and trees' scheme whereby:

2.6.1 Growers in the Great Southern 2007 High Value Timber Project (**Other Project**) also vote to wind up that Other Project;

2.6.2 All rights in the trees and other rights relating to the Project Land, which are currently vested in the Project and in the Other Project (or in Growers in either of those schemes), would be surrendered and terminated and thereby vest in the Lowell Capital Limited HVT Land Scheme ARSN 154 154 033 (**Land Scheme**), being the landlord of the relevant land and the Land Scheme assumes responsibility for any debt still owed to AMAT and/or Real Management Services Pty Ltd (**RMS**) when the Project and the Other Project are wound up (**Surrender Arrangements**);

- 2.6.3 Growers have a proportional entitlement, by virtue of their participation in the Project and upon payment of a subscription amount per interest in the Combined Scheme, to subscribe for and be issued with interests in the Land Scheme, which would become the Combined Scheme;
- 2.6.4 The administrative costs of conducting the two tree schemes (the Project and the Other Project) and the Land Scheme, would be reduced to the operation of the single Combined Scheme (see discussion at paragraphs 2.4.1(d) and 2.4.1(e));
- 2.6.5 Based on the historical administration costs of running three schemes instead of one, Lowell estimate the following cost savings:

Service	One scheme	Three schemes
Audit of schemes	\$10,000	\$25,000
Accounting	\$12,000	\$30,000
Registry fees	\$12,000	\$25,000
Member meetings (postage, printing etc)	\$7,500	\$22,500
Legal	\$25,000	\$50,000
Total	\$66,500.00	\$152,500.00

Growers should note that the above is an estimate based on historical costs and future cost agreements. Actual administration costs for the schemes have been impacted by one off factors such as:

- (a) Significantly higher audit fees prior to the appointment of Hayes Knight as auditor;
 - (b) Legal fees concerning the scheme and scheme restructure;
 - (c) A higher number of member meetings than usual to obtain various approvals.
- 2.6.6 The Combined Scheme's structure would be dramatically more simple than that of the Project and the Other Project: all relevant leasehold and forestry right agreements which currently encumber the land would be removed, and Growers' individual forestry management agreements, would be terminated;

- 2.6.7 Instead of a complex set of documents recording each Grower's interest in the Project, Growers would simply have a proportional interest in the Combined Scheme represented by their units;
 - 2.6.8 With reduced costs, alternative sources of revenue and capital, and the flexibility to access those sources of revenue and capital – the Combined Scheme would be viable for the long term;
 - 2.6.9 The sources of potential income and capital returns would include the sale of the remaining Queensland properties, thinnings of the Trees, harvesting of the Trees and sale of the Combined Scheme's properties following harvest;
 - 2.6.10 Lowell has considered the ability to sell the remaining Queensland properties and any other properties following harvest based on the sales of Queensland properties it has already undertaken and advice from real estate agents in the area the properties are located. Lowell considers it will be able to realise income from thinnings and from harvesting the trees if the trees mature in accordance with the Combined Scheme's purpose.
- 2.7 It is in this context that Lowell puts the resolution to the members to wind up the Project.

3. Conditions which must be satisfied for the Project to be wound up - and consequences of those conditions not being satisfied

- 3.1 The proposal to wind up the Project is dependent upon the following conditions being satisfied:
- 3.1.1 all resolutions being passed;
 - 3.1.2 the members of the Other Project also voting to wind up that scheme;
 - 3.1.3 eligible parties applying to subscribe for at least 70% of the units available under the offer set out the Land Scheme PDS;
 - 3.1.4 Lowell being satisfied, acting reasonably, that all obligations owed to all of the creditors of the Project, and the Other Project, will be met either by paying all sums lawfully owed to them by those Schemes or those sums being otherwise dealt with to the satisfaction of Lowell, in its absolute discretion; and
 - 3.1.5 all those conditions being met by within 6 months of the date on which the Meeting concludes (**Final Date**).

- 3.2 If those conditions are not satisfied by the Final Date, then assuming there has been no other material change in the Project's circumstances as described above and it remains unviable, then Lowell anticipates being compelled to commence a separate winding-up process in respect of the Project.
- 3.3 Lowell and its Directors consider that the Proposal provides Growers with the best opportunity to preserve and realise the value of their investment in the Project, and that the opportunity to invest in the Land Scheme (combined with the assets of the Project and the Other Project) is one to which Growers should give serious consideration. In contrast, the Directors have serious reservations that a separate winding-up process, which would attempt to realise the Project's assets - primarily its leases of land from the Land Scheme - but without an opportunity to participate in the Land Scheme, would provide Growers with any discernable opportunity to realise their investment in the Project.

4. Reasons for winding-up the Project

General

- 4.1 In short, the Project in its current form is no longer viable. The Project does not have sufficient sources of revenue to meet the costs of running the Project.
- 4.2 Since the 2010 Restructure, the Project has been funded primarily by Grower contributions. This revenue has been insufficient to meet all of the Project's costs. Accordingly, the Project has only been able to continue operating as a result of the Project's primary creditors agreeing to defer payment of amounts due and payable to them by the Project and, more recently, agreeing to convert part of the amounts owing to them into interests in the Project.
- 4.3 The Project's primary creditor is AMA Teak Pty Ltd (**AMAT**) in its capacity as the Project's forestry manager – which has converted part of the debt owed to it into interests in the Project in accordance with the terms of the Constitution.
- 4.4 Lowell has also been served with proceedings in the Magistrates' Court of South Australia and the County Court of Victoria by RMS, which was engaged to provide certain services in respect of the GSHVT Projects and the Land Scheme. There is a dispute between the parties about these services and whether moneys are payable by Lowell to RMS. RMS claims that there are amounts totalling \$104,646.40 plus costs owing in respect of the GSHVT Projects, but has not broken these claimed amounts down between the Project and the Other Project. Although Lowell will vigorously defend these matters, the exposure to the amounts claimed plus litigation costs that cannot be quantified at this time.

- 4.5 AMAT and any other creditors of the Project, including RMS if the dispute is resolved by agreement or determination, as at the Final Date will be entitled to subscribe for their proportional entitlement in the Combined Scheme, but only on the same terms as all other members with a proportional entitlement. If AMAT or RMS has not converted part or all of their debt in the GSHVT Projects prior to the issue of the Land Scheme PDS, then Lowell as responsible entity of the Land Scheme has agreed to assume the obligations owed on behalf of the GSHVT Projects subject to receiving an undertaking from Lowell in its capacity as responsible entity for each of the Project and the Other Project that it will use any available cash in that scheme to repay debt owed to either or both AMAT and RMS.
- 4.6 Lowell, in its personal capacity, in respect of the services which it provides to the Project as responsible entity was a significant creditor to the Project, but has since converted the debt owed to it into interests in the Scheme. This was undertaken pursuant to the Project's constitution by Lowell taking up Class A Interests in the Project.
- 4.7 There is no certainty that Lowell or AMAT or any of the Project's other creditors will continue to agree to convert their remaining debt into interests in the Project. This was undertaken pursuant to the Project's constitution by Lowell taking up Class A Interests in the Project.
- 4.8 Members should refer to the following documents, which evidence the annual shortfall in revenues sufficient to meet the Project's ongoing costs since the 2010 Restructure, and also the balance sheet for the Project for each of those years showing the deficiency in fund assets against fund liabilities:
- 4.8.1 the audited annual financial statements for the period 1 July 2010 to 30 June 2011: as previously sent to Growers and available on Lowell's website;
- 4.8.2 the audited annual financial statements for the period 1 July 2011 to 30 June 2012: as previously sent to Growers and available on Lowell's website;
- 4.8.3 the audited annual financial statements for the period 1 July 2012 to 30 June 2013: as attached to this document.

Grower Participation

- 4.9 Each Grower in the Project is required to contribute \$100 per annum in respect of each woodlot which the Grower owns, covering the first 5 years of the Project. In the first year, Growers could elect to pay \$400 in satisfaction of the full amount of \$500 which would otherwise be due and payable over the first 5 years.
- 4.10 Initial Grower participation was strong. The first year Contributions for both the GSHVT Projects totalled \$1.85m, of which \$700,000 represented the reduced payment of \$400 for five years.

- 4.11 Total revenue paid by Growers in the Project and the Other Project has since been as follows:

2012	2013	2014
\$227,000	\$300,000	\$281,000

- 4.12 As set out in the Land Scheme PDS, the estimated costs of running the Land Scheme in a single 'land and trees' scheme (**Combined Scheme**) until final harvest are \$550,000 per year. This is commensurate with the current operating costs of all 3 schemes. This demonstrates, therefore, that the revenue shortfall has been significant and has materially affected Lowell's capacity to properly operate the Project (and the Other Project). The ongoing costs of running the GSHVT Projects are similar, while the administrative and other costs are higher given that there are 3 schemes instead of one. The annual contributions have been significantly less than required and expected, while costs as discussed below have been higher than anticipated, Grower participation is not at levels required to sustain the Project and the Other Project.
- 4.13 Lowell notes that as a Combined Scheme these operating costs will not be dramatically altered, however, there will be savings as a result of administrative and other costs for one scheme being less than for 3.
- 4.14 Accordingly, absent commencement of a winding-up, Lowell considers that, in the near future, it will be compelled to make a decision about ceasing Scheme operations due to lack of funds required to operate the Project.
- 4.15 Lowell has no reason to expect Grower participation at these levels given the level of Grower participation over Year 1, Year 2, Year 3 and Year 4.

Use of Scheme Leasehold Properties

- 4.16 Another source of income for the Project was the use of the proceeds of commercial thinnings (which were initially subject to the GSMAL receivers' lien, but this lien was removed after negotiations) and the parcels of land leased by the Project being used to generate alternative sources of income: that is, not being used for growing trees. The idea was that land would be available for an alternative purpose in respect of plantations which had failed.
- 4.17 Since the proposal was effected, neither of these sources of alternative income have been available. Thinnings conducted so far have been uncommercial and have in effect cost more to undertake than the income generated. Additionally, when Lowell sought an opinion from the ATO as to whether Project Land could be used to generate income for the Project from other uses, the ATO ruled that such sources of additional income for the Project would jeopardise tax deductions previously claimed by Growers.

- 4.18 This lack of income was identified as a risk specific to the 2010 Restructure when it was first put to Growers and that risk has been shown to be real and detrimental.

Increased costs

- 4.19 Lowell has also expended significant time, effort and expense on behalf of the Project in legal proceedings the objective of which was to have the Project, as restructured under the 2010 Restructure, approved by the Courts. This course of action was taken on legal advice. Its objective was principally to protect the Project's participating Growers from any adverse actions taken by non-participating Growers in the future.
- 4.20 The proceedings were undertaken at considerable expense and, eventually, Lowell had to abandon them as a result of resistance from representatives of the Growers in those proceedings. Lowell formed the view that the continuing costs were outweighed by the uncertain benefit of these proceedings.

Condition of teak plantations

- 4.21 The Project had interests in teak plantations in Queensland and an African mahogany plantation in the Northern Territory (***Whatfor Khaya*** plantation). The condition of the teak plantation deteriorated significantly since the 2010 Restructure. There are three primary reasons for this:
- 4.21.1 damage to the plantation as a result of cyclones;
 - 4.21.2 damage to the plantations as a result of flood; and
 - 4.21.3 there being insufficient funds available to the Project to conduct the level of maintenance required to keep the remaining plantation in the best possible health.
- 4.22 Due to the Land Scheme selling land to repay debt arising from the 2010 Restructure, the Project has interests in teak plantation on only 2 lots in Queensland, known as part of the 'Erkilla' property, together with interests in the *Whatfor Khaya* plantation in the Northern Territory.

Reduced fees if Proposal is approved

- 4.23 On the assumption that AMA Teak, as forestry manager, would be able to use Project Land for other income producing purposes and otherwise provide services to the Land Scheme and would be entitled to the proceeds of thinnings which were predicted to be commercial at the time of the 2010 Restructure, as part of the 2010 Restructure AMA Teak was entitled to a fee of 46.5% of net proceeds of sale on harvest of the trees.

- 4.24 In consequence of the Project Land not being able to be used for this purpose, and thinnings operations being uncommercial, Lowell has arranged for this arrangement, including the 46.5% fee, to be set aside if the Proposal is approved. Accordingly, the forestry manager's fee in the Combined Scheme will be limited to a management fee of \$60 per hectare, no more than 5% of the Net Proceeds of Sale and 25% of net profit on any thinnings revenue.

Condition of the trees

- 4.25 In consequence of the increased costs, and reduced revenues, Lowell has had limited funds available for maintenance. Accordingly, Lowell considered that:
- 4.25.1 The Queensland teak plantation was barely viable: being a view which Lowell arrived at in consultation with its expert advisers;
 - 4.25.2 The condition of the teak plantations could not be improved to any significant degree within the existing structure of the Project and given its available revenues; and
 - 4.25.3 The best use of the Queensland plantation has been to pay down debt incurred as a result of the 2010 Restructure and as a source of capital funding to meet the ongoing costs of maintaining the *Whatfor Khaya* plantation in the Northern Territory, which the Forester's Report records as viable. As the Project currently only holds a leasehold interest this is not an option for the Project. However it is a viable source of revenue for the Combined Scheme.

5. Advantages of winding-up the Project

- 5.1 The purpose of the Project is to maintain and harvest the trees standing on the Project Land, market and sell those trees and return the net profits to Growers.
- 5.2 For the reasons set out earlier in this EM, it is Lowell's opinion that the Project's purpose can no longer be achieved. Accordingly, any further contributions made by Growers would amount to fruitlessly continuing the Project at the expense only of participating Growers.
- 5.3 Accordingly the primary advantage of winding-up the Project is bringing this Scheme to an end, and saving Growers further moneys contributed to a Scheme which the Responsible Entity considers can no longer achieve its purpose. Importantly, this Proposal is being put to Growers in circumstances where, upon payment of a subscription amount of \$10 per interest in the Combined Scheme, the same Growers have an opportunity to participate in the Combined Scheme with the structure, funding and flexibility to achieve its long term objective.

- 5.4 This Proposal is put to Growers at a time when the Growers have an opportunity to participate in an alternative and viable scheme. Lowell considers the costs and likely returns of options other than the Proposal, means the Proposal represents the best option for Growers to preserve and realise their investments.
- 5.5 If the Proposal is not carried into effect then Lowell's view is that:
- 5.5.1 the Project is unviable and cannot be conducted further than the very short term; and
- 5.5.2 in due course Lowell will be compelled to wind up the Project but most likely in circumstances where there is no opportunity for Growers to participate in an alternative scheme.
- 5.6 Further, the additional contributions to be made to the Combined Scheme are set at a level where Lowell expects that, for the life of that Combined Scheme, the Subscriptions and annual contributions in respect of each Unit across the life of the Project, are likely to be less than the amount charged for additional contributions in Year 4 and Year 5 of the Project.
- 5.7 Growers who are issued with units in the Combined Scheme will have a proportional interest in a scheme which has not only an interest in the trees standing on the land but in the land itself. At present, equity holders in the Land Scheme will be diluted to a point where they represent an insignificant proportion of the final unit holders in the Combined Scheme: assuming all Growers in the GSHVT Projects participate to their full entitlement, participating members of the Project will hold 57.3% of units. Participating members of the Other Project will hold 42.7% of units.²
- 5.8 If the Project is not wound-up and creditors elect not to accept future conversions of debt into interests in the Project in substitution for payment - then the Project will remain, or become further, indebted to those creditors. In those circumstances, Lowell's view is that it is likely that in the near term those creditors will cease extending their trading terms with the Project.

² These figures assume that Growers in the Project and Other Project fully subscribe for their entitlement to Units under the Land Scheme PDS, no Growers pay up their additional contributions prior to the offer under the Land Scheme PDS closing, no creditors to the GSHVT Projects convert their debt into Units and there are no shortfall units being issued in accordance with the terms of the Land Scheme PDS.

6. Disadvantages of winding-up the Project – if the Proposal is approved

- 6.1 If the Project is wound up in accordance with the Proposal, Growers who do not participate in the Combined Scheme will not have the opportunity to realise the value of their investments in the Project in its current form, being the trees standing on each woodlot in the Project. Lowell recognises that, since Growers first participated in the Project, they have contributed significant amounts in respect of each woodlot in an effort to make, maintain and ensure that their investment is realised. Nevertheless, the position is that the Project, its structure and the available sources of revenue are insufficient to deliver a return on Growers' investments and the Proposal represents the best option for Growers as a whole to preserve and realise their investments. Any additional contributions paid in respect of Year 5 will be applied to paying administration costs, such as audit fees; the costs of holding this Meeting; the costs of winding-up the Project; and then, if there is any surplus, will be applied to paying the Project's creditors.
- 6.2 There is some risk that any deductions claimed by Growers for annual contributions made to the Project in recent years will be denied if the Project is wound up. Further information on this is contained in Part 7. Given that the Project will be wound up and the Combined Scheme will operate, each Grower's proportional interest in that Combined Scheme will likely be less than the Grower's proportional interest in the Project. However that proportional interest in the Combined Scheme would, in Lowell's view, have a greater value and a reasonable likelihood that that value could be realised over time.
- 6.3 Tax deductions in respect of sums contributed by participating growers to the Combined Scheme will not be available.

7. Taxation

- 7.1 The information provided below is general only. Each Grower is responsible for obtaining their own taxation advice concerning the Proposal and its impact on their tax position and prior tax deductions.
- 7.2 Winding-up the Project of itself should not affect deductions previously claimed by Growers who claimed deductions under Private Ruling 2007/70 – Income Tax: Great Southern 2008 High Value Timber Project, as withdrawn and replaced with Private Ruling 2010/23 – Income Tax: Great Southern 2008 High Value Timber Project – Replacement of Responsible Entity (2010 Ruling). The winding-up of the Project will result in the termination of each Grower's interest in the Project which is a CGT event. However, in respect of the establishment fees paid by Growers, this has occurred outside the ordinary period within which the ATO may deny deductions previously claimed by a Grower. More than 4 years have elapsed since Growers initially claimed those deductions.

7.3 In relation to annual contributions, a deduction claimed in accordance with and in reliance on the 2010 Ruling would ordinarily prevent the Commissioner from subsequently disallowing that deduction, subject to there being any material change in the Project between the date the Project is wound up and the date on which the deductions were claimed. While the winding-up of the Projects will amount to a material change, Growers will not be claiming deductions after that time.

7.4 Please note that deductions will not be available to Growers who elect to participate in the Combined Scheme either in respect of the subscription amounts or the annual fees.

8. **Special Resolution 2 - Proposed amendments to the Project Constitution to grant the responsible entity a power of attorney to give effect to the winding up including unencumbering the land**

8.1 **Form of proposed amendments**

Lowell is proposing to amend the Constitution by:

- amending clause 1.1 by inserting the following definitions:

2014 Explanatory Memorandum means the Explanatory Memorandum in the Meeting Booklet given to Members in relation to the Notice of Meeting dated 27 June 2014

2014 Disclosure Document means the Disclosure Document issued by the Responsible Entity in 2014 as part of a proposed restructure of the Project, the Land Scheme and the Great Southern 2007 High Value Timber Project ARSN 123 528 950.

Restructure Proposal means the proposal to wind up the Project and the Great Southern 2007 High Value Timber Project ARSN 123 528 950 on the basis Members will have an entitlement to participate in a combined land and tress scheme conducted on the land owned by the Land Scheme.'; and

- amending clause 13.2 by inserting a new sub-clause (a)(2)(v) as follows:

'(v) without limiting the generality of the foregoing and despite clause 6, amend, terminate or otherwise deal with any Land Interest or Land and Management Agreement for the purposes of unencumbering the Land to give effect to the Restructure Proposal, in circumstances in which the Responsible Entity considers it is in the best interests of Members to do so.'

8.2 **Effect of proposed amendments**

- 8.2.1 Under the current clause 13.2 of the Constitution, each Grower irrevocably appoints Lowell as its attorney for various purposes.
- 8.2.2 The Constitution does not currently explicitly grant Lowell a power of attorney to terminate any agreements which relate to a Grower's interest in the existing Scheme.
- 8.2.3 The proposed amendments to the Constitution would have the effect of explicitly granting Lowell the power to amend, terminate or otherwise deal with any Lease, Forest Right Agreement, forest right lease agreement, licence agreement or other similar agreement or Land and Management Agreement on behalf of a Grower for the purposes of removing encumbrances from the land on which the Combined Scheme is proposed to operate.
- 8.2.4 If special resolutions nos.1 and 2 and ordinary resolution no. 3 are passed by the requisite majorities, Lowell intends to exercise the power to enter any relevant termination or surrender documents required to give effect to the Surrender Arrangements set out in section 9 of this booklet.

8.3 Reason for proposed amendments

- 8.3.1 If Members approve special resolution 1 directing Lowell to wind up the Project and the conditions set out in section 3.1 are met, Lowell will need to terminate any agreements with Growers, which are dependent on the continued operation of the Project.
- 8.3.2 As part of the Proposal, these interests are proposed to be terminated in part in exchange for Growers receiving a right, subject to making payment of a nominal subscription amount of \$10.00 per interest in the Combined Scheme, to obtain an interest in the Combined Scheme.
- 8.3.3 Administratively, Lowell considers that it will be more efficient and cost effective for the termination to occur as part of the Surrender Arrangements set out below. Further, Lowell considers that, if Members approve the Surrender Arrangements set out below, it will be most efficient for Lowell to act on each Grower's behalf in agreeing and executing the documents that give effect to the Surrender Arrangements rather than requiring Grower's to separately agree and execute these documents.

The insertion of the additional powers above may be considered adverse to Members' rights.

However, Lowell has assessed the Members' rights as they exist before the amendments and the impact the amendment will have on those rights. Having compared them, Lowell considers that the proposed Constitutional changes above are in the best interests of Members but may be adverse to their rights under the existing Land Interests or Land and Management Agreements in relation to the Project.

9. Ordinary Resolution 3 - Approval of the Surrender Arrangements as part of the winding up

- 9.1 As set out in paragraph 2.6.2 Lowell owns the relevant land upon which the Project (and the Other Project) operates as responsible entity of the Land Scheme. Currently, this Land is being leased to itself in its capacity as responsible entity of the Project and the Other Project (via a Custodian). If both the Project and the Other Project are wound up then the leases must be terminated.
- 9.2 Lowell will be negotiating the surrender of the leases with itself in its different responsible entity capacities, and in circumstances where it is a member (or a prospective member) in each scheme.
- 9.3 Also, if either or both AMAT or RMS has not converted part or all of their debt in the GSHVT Projects prior to the issue of the Land Scheme PDS, then Lowell as responsible entity of the Land Scheme has agreed to assume the obligations owed on behalf of the GSHVT Projects to those creditors subject to receiving an undertaking from Lowell in its capacity as responsible entity for each of the Project and the Other Project that it will use any available cash in that scheme to repay debt owed to a creditor to the GSHVT Projects, including either or both AMAT and RMS. Consequently, as part of the Surrender Arrangements, Lowell in its capacity as Responsible Entity and in its capacity as responsible entity of the Other Project, undertakes to apply any available cash to repaying any debt proven to be owed to a creditor to the GSHVT Projects, including either or both of AMAT and RMS.
- 9.4 In these circumstances Lowell considers that the limitations on related party transactions set out in sections Chapter 2E of the Corporations Act as affected by Part 5C.7 of the Corporations Act, are relevant to these transactions.
- 9.5 For the purposes to Chapter 2E of the Corporation Act and for all other purposes, Lowell advises that:
- 9.5.1 the potential financial benefits which may be conferred on Lowell as a consequence of the Surrender Arrangements include:
- (a) as tenant in its capacity as responsible entity of the Project and the Other Project, relief from the obligations to perform tenant obligations under the leases;

- (b) as a member of the Project and the Other Project, the opportunity to participate in the Land Scheme and the general benefits to be achieved by restructuring the Project (a condition of which is the surrendering of the leases);
- (c) as landlord in its capacity as responsible entity of the Land Scheme, relief from the obligations to perform landlord obligations under the leases;
- (d) as landlord in its capacity as responsible entity of the Land Scheme, the re-vesting of all rights in respect of the trees on the subject land, including rights in respect of forestry produce and full title to the land;
- (e) perhaps indirectly, depending on membership of the Land Scheme, the financial benefits enjoyed as a member of the Land Scheme from the effect of the re-vesting referred to in paragraph (d) above; and
- (f) as responsible entity of the Land Scheme, financial benefits associated with acting as responsible entity of a combined land and trees scheme, and any associated increase in remuneration and certainty of future income;

9.5.2 Lowell considers that any financial benefits it receives as a result to the matters described in paragraph 9.5.1 are limited to those received in its capacity as RE of either the Project, the Other Project or the Land Scheme on behalf of the members of those schemes, or in its capacity as a member of the Project and the Other Project.

9.5.3 For the reasons set out in the EM and in particular the reasons set out in section 4, each director of Lowell recommends that you vote in favour of the resolution.

9.5.4 In relation to the directors of Lowell:

- (a) Michael Ramsden:
 - (i) has an indirect shareholding in, and is a director of, Terrain Capital Limited. Terrain will receive \$100,000 for providing advisory services to Lowell in relation to preparation of the Land Scheme PDS, and the proportion of the meeting documents as well as structural advice and the offer the Land Scheme PDS describes, and Mr Ramsden may be remunerated by Terrain for the services he provides to Terrain for that purpose; and
 - (ii) was formerly a director of AMAT, and now controls (through a related entity) less than 10% of the shares in AMAT. AMAT will receive an entitlement to subscribe for

units in the Combined Scheme if the Proposal is approved, and will have the ongoing benefit of being the forestry manager of the Combined Scheme;

- (b) no other directors have any relevant interests in the proposed transactions.

9.5.5 Lowell considered whether there were any alternatives to the related party transactions, however, for the following reasons considered that no such alternatives existed:

- (a) Lowell cannot avoid its responsibilities:
 - (i) as tenant in its capacity as responsible entity of the Project and the Other Project; and
 - (ii) as landlord in its capacity as responsible entity of the Project, and the Other Project.
- (b) If Members direct Lowell to wind up the Project, Lowell does not consider there is any other mechanism by which to realise a return to Growers in the Project other than by negotiating the terms on which the leases will be surrendered (as the immaturity of the Trees makes a sale of the interest in those Trees very unlikely). Lowell cannot avoid negotiating with itself in respect of these surrenders.

9.5.6 In accordance with section 253E of the Corporations Act, as Lowell has an interest in the resolution other than as a member, Lowell will not vote its interests in the Project on the resolution.

9.5.7 If Members approve special resolution 1 directing Lowell to wind up the Project and ordinary resolution 3 and the conditions set out in section 3.1 are met, Lowell will proceed to negotiate the Surrender Arrangements to give effect to the establishment of the Combined Scheme on the terms set out in this EM and the Land Scheme PDS.

10. Important disclosures

- 10.1 Lowell is responsible entity of both the Project, and the Land Scheme. If the tree schemes are wound up, then the Land Scheme will be the Combined Scheme.
- 10.2 As previously disclosed to Growers in advance of the land transaction effected in July 2012, Lowell has recognised the potential conflicts of interest between its role as RE of the Project and its role as RE of the Land Scheme.
- 10.3 Lowell considers that it has and has always had adequate arrangements in place to manage conflicts of interests and has done so at all times.
- 10.4 If Growers vote in favour of the Proposal then both the Project (and the Other Project) will be wound up and Lowell will be obliged to effect that winding-up and terminate the Projects: it will remain as responsible entity of the Combined Scheme.
- 10.5 If Growers do not vote in favour of the Proposal then Lowell will remain as Responsible Entity of all three schemes.
- 10.6 In any case, Lowell will continue to meet its obligations in respect of all three Schemes. If the Proposal proceeds, then Lowell will continue to manage any actual or perceived conflicts of interest which arise in carrying into effect the winding-up of the Project and the Other Project in accordance with its existing conflicts management procedures.

11. Information about the HVT Land Scheme

- 11.1 The opportunity for Growers to participate in the HVT Land Scheme is set out in a Product Disclosure Statement for that scheme, issued by Lowell as responsible entity and dated 30 June 2014.
- 11.2 This has been mailed to Growers with this Booklet and is available from the www.lowellcapital.com.au website.

12. Attachments

- 12.1 Independent Forester's Report – Growers are directed to the Independent Forester's Report which is attached to the Land Scheme PDS. The Forester's Report was prepared to report on the current status of the *Whatfor Khaya* plantation and provide comments on options for management.
- 12.2 The Project's audited annual financial statements for the period 1 July 2012 to 30 June 2013.

D. Glossary

The following terms are used in this Booklet:

AMAT or Forestry Manager	AMA Teak Pty Ltd ACN 141 122 652.
Booklet	Means this document containing the Notice of Meeting and Explanatory Memorandum.
Combined Scheme	Means the proposed 'single trees and land' scheme which would result from acceptance of the Proposal.
Constitution	Means the constitution of the Project, (as amended).
Contributions Fund	Has the meaning given in the Constitution.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Direct Harvesting Costs	Means all costs directly incurred in the harvesting and delivery of timber produce in accordance with the Forestry Management Agreement, including logging, loading, harvest roading and landing construction, cartage, road user charges specific to cartage of forest products, regulatory fees, debarking, sapstain spraying, scaling, branding, port costs, and export freight.
Explanatory Memorandum	Means the explanatory memorandum as Part C of this Booklet, as amended by Lowell from time to time.
Forest Right Agreement	Means the forest right agreement for the Project and attached as Schedule 7 to the Constitution.
Forestry Management Agreement	Means the forestry management agreement for the Land Scheme between Lowell in its capacity as responsible entity for the Land Scheme and the Forestry Manager.
Gross Proceeds of Sale	Means the gross amount received by the Responsible Entity (inclusive of GST) from: <ul style="list-style-type: none">▪ the sale of timber produce (including any commercial thinning), in accordance with the terms of this Agreement; and▪ any insurance proceeds

	received in respect of loss or damage to the land used by the Project and the Other Project and the trees.
Growers or Members	Members of the Project.
GSHVT Projects	Means the Project and the Other Project.
Land	Means the land used by the Project for the Growers plantations.
Land Scheme	Lowell Capital Limited – HVT Land Scheme ARSN 154 154 033
Land Scheme PDS	Product Disclosure Statement for the Land Scheme, issued by Lowell as responsible entity and dated 30 June 2014 and setting out the opportunity for Growers to participate in the Land Scheme.
Lowell, RE or Responsible Entity	Lowell Capital Limited ACN 006 844 588 in its capacity as responsible entity for the Project, unless otherwise specified.
Manager	AMA Teak Pty Ltd ACN 141 122 652.
Meeting	Meeting of members of the Project to be held on 28 July 2014 at 1.30pm WA time.
Net Proceeds of Sale	Means the Gross Proceeds of Sale less the Direct Harvesting Costs.
Other Project	Great Southern 2007 High Value Timber Project ARSN 123 528 950.
Project or Scheme	Means the Great Southern 2008 High Value Timber Project ARSN 123 529 233.
Proposal	Means the winding-up proposal set out in section 2 of this Booklet.
Resolutions	Means the resolutions set out in the Notice of Meeting.
Woodlot	Means any woodlot that relates to the Project.

E. Notice of Meeting - Voting procedure and eligibility

1. Quorum requirements

The quorum requirement for the Meeting, is in accordance with s252R(2) of the Corporations Act, and requires at least 2 Members to be present at the Meeting.

If a quorum is not present within 30 minutes after the scheduled time for the meeting, the meeting will be adjourned to a date time and place determined in accordance with section 252R(4) of the Corporations Act.

2. Voting and required majority

- (a) Each of Special Resolutions no. 1 and no. 2 proposed are special resolutions.

In accordance with sections 9 and Part 2G.4 of the Corporations Act for each of Resolutions 1 and 2 to be effective:

- (i) each resolution must be passed at a meeting of which the required notice specifying the intention to propose the special resolution and stating the resolution has been given; and
- (ii) each resolution must be passed by at least 75% of the total votes cast by members entitled to vote on the resolution (whether present in person or by proxy).

Resolutions 1 and 2 will be decided on a poll.

- (b) Resolution 3 is an ordinary resolution.

Resolution 3 will be decided on a show of hands unless a poll is demanded. For Resolution 3 to be effective it must be passed by at least 50% of the total votes cast by members entitled to vote on the resolution (whether present in person or by proxy).

- (c) In accordance with section 253E of the Corporations Act, as Lowell has an interest in the resolution other than as a member, Lowell will not vote its interests in the Project on Resolution 3.

- (d) Subject to paragraph 4(d), on a poll each Member has one vote for each Woodlot held in the Project and, on a show of hands every Member has one vote. You need not exercise all of your votes in the same way, nor need you cast all of your votes.

- (e) If your interests are jointly held, only one of the joint holders is entitled to vote. If both joint holders are present at the meeting, only the vote of the person named first in the register counts.

- (f) If you plan to attend the meeting, we ask you to arrive at the venue at least 15 minutes prior to the time designated for the meeting so that we may check your interests against the Project's register of members and note your attendance.
- (g) In order to vote at the meeting, a corporation that is a Member may either appoint a proxy or appoint a person to act as its representative. The appointment must comply with section 253B of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment including any authority under which it is signed.

3. **Votes**

Interests in the Project will be taken to be held by persons registered as members at 7.00pm AEDT on 25 July 2014 (the **Effective Time**).

For the purpose of voting, the value of an interest will be determined by the responsible entity, in accordance with section 253F(c) of the Corporations Act, as the price that a willing but not anxious buyer would pay for the interest if it was sold on the Business Day immediately before the day on which the poll is taken.

4. **Proxies and Representatives**

- (a) All members at the Effective Time who are entitled to attend and vote at the Meeting may appoint a proxy for that purpose.
- (b) A proxy need not be a Member of the Project.
- (c) The Proxy Form relating to the Meeting accompanying this Notice of Meeting should be used.
- (d) A Member who is entitled to cast 2 or more votes at the Meeting, may appoint up to 2 proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a member does not specify the proportion or number of that member's votes each proxy may exercise, each proxy will be entitled to exercise half of the votes. An additional Proxy Form will be supplied by Lowell Capital Ltd at 8 Chapel St Richmond.
- (e) Unless a Member specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.
- (f) In the case of an individual, a proxy must be under the hand of the individual or his or her attorney duly authorised in writing and, in the case of a corporation, a proxy must be under either the common seal of that corporation or under the hand of its duly authorised officer/s or attorney.

- (g) If a meeting of the Project's members has been adjourned, an appointment of any authority received at least 48 hours before the resumption of the meeting are effective for the resumed part of the meeting.
- (h) Any Member may appoint an attorney to act on the Member's behalf. The power of attorney, or a certified copy of it, must be received as set out in paragraph (j) below.
- (i) Any corporation which is a Member of the Project may appoint a representative to attend and vote for that corporation at the Meeting. Appointments of representatives by corporations must be received as specified in paragraph (j) below.
- (j) Proxies and powers of attorney granted by members must be received by Lowell, as responsible entity of the Project, at least 48 hours before the meeting:
 - (i) at the registered office:
at 8 Chapel St, Richmond 3121; or
 - (ii) by fax to the office of Lowell at 03 9665 2455; or
 - (iii) by email to reception@terraincapital.com.

5. **Voting by Proxy**

You can vote by completing and returning the enclosed Proxy Form.

Those members that lodge Proxy Forms but later wish to revoke or amend their proxy appointment may do so by submitting another Proxy Form (further copies can be obtained by calling 03 9665 2444. Revised Proxy Forms must be submitted at least 48 hours before the Meeting, or at least 48 hours before any adjournment of the meeting.

6. **Questions**

If you have any questions, please contact your adviser or Lucia Garreton at Lowell Capital on 03 9665 2499.