



11 May 2010

CONFIRMATION OF SUSTAINABLE FOREST MANAGEMENT PLAN PURSUANT TO PART 3A FORESTS ACT 1949, NEW ZEALAND

At the date of this letter, the forest listed below is subject to a registered Sustainable Forest Management (SFM) Plan, approved by the Ministry of Agriculture and Forestry (MAF), pursuant to Part 3A, Forests Act 1949.

Trees harvested in compliance with this registered SFM Plan and associated Annual Logging Plans approved by MAF, meet the requirements of the Forests Act 1949 regarding the sustainable management of indigenous forests.

Explanatory notes on sustainable forest management are on page 2.

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| SFM Plan/ No: | 4 / 09 /0055 |
| Forest Owner / Landholder: | New Zealand Sustainable Forest Products Limited |
| Date of Approval: | 20/02 /2001 |
| Date of Expiry | 19/02/2101 |
| Location: | Rappahannock Valley, Maruia |
| Forest Area: | 355 hectares |
| Species Under Management: | Red Beech, Silver Beech |
| Approved Annual Harvest | Red Beech - 859 m ³ (standing volume) Silver Beech - 227 m ³ (standing volume) |

Yours faithfully

Robert Miller
Manager, Operations



Ministry of Agriculture and Forestry
Te Manatū Ahuwhenua, Ngāherehere
MAF Policy – Sustainable Programmes

Pastoral House, 25 The Terrace, PO Box 2526, WELLINGTON 6140, New Zealand
Telephone: 64-4-894 0100, Facsimile: 64-4-894 0300, Web: www.maf.govt.nz

Sustainable Forest Management (SFM)

The Forests Act 1949 provides for the sustainable forest management of privately owned indigenous forests in New Zealand through the issuing of SFM Plans and Permits. Sustainable forest management means the management of indigenous forest land in a way that maintains the ability of the forest growing on the land to continue to provide a full range of products and amenities in perpetuity while retaining the forest's natural values.

SFM Plans

SFM Plans generally have a 50 year duration and provide for the long term management of the forest. They are registered on the land title and bind the forest owner or land holder. In addition to requiring harvests of timber from the forest to be sustainable, SFM Plans require replacement of harvested species, either through natural regeneration or planting, protection of the forest from fire, pests and weeds and maintenance of natural and amenity values, including flora and fauna.

SFM Permits

SFM Permits are of a shorter duration (10 years), and provide for a capped maximum harvest of 250 cubic metres in total of timber from kauri, or podocarp or shade tolerant or exposure sensitive broadleaved hardwood species, and 500 cubic metres of beech or light demanding hardwood species. Where these quantities are more than ten percent of the timber of each species on the forest subject to the SFM Permit, the harvest is limited to ten percent in each case. Like SFM Plans, Permits require replacement of harvested species (either through natural regeneration or planting), protection of the forest and maintenance of natural and amenity values. SFM Permits must also be registered on the land title.

Annual Logging Plans

Harvesting under a SFM Plan or Permit must be undertaken in accordance with approved Annual Logging Plans. These require coverage of such matters as:

- Selection and marking of trees to be harvested
- Approval of harvesting areas
- Approval of harvesting methods
- Requirements for protecting water ways or other special logging requirements
- Location of roads and landings

Auditing and Compliance

MAF carries out periodic forest inspections and auditing of Annual Logging Plans for compliance purposes. MAF forestry officers have powers of entry and log seizure under the Forest Act. Penalties of up to \$200,000 may be applied by the Courts for some of the offences under the Act.