



www.forestx.com

SELLERS GUIDE



New Zealand's electronic forest market is a universal, easily accessed place for buying and selling forests.

It provides transparency in terms of the range of lots that are available and how a transaction for any one lot will take place.

Buyers can be confident that the rules by which their bid will be received and processed are clear and fair. Sellers can be confident that they are reaching a wide range of domestic and overseas buyers.

Selling forests

Forests can be sold when the trees are first planted, financing the cost of planting. Buyers may be asked to pay land rent and maintenance costs through to harvest. By maintaining the same forest manager as the forest changes hands, comprehensive records can be maintained, enhancing ultimate forest value.

Forests can be sold when the trees are close to harvest age. Buyers may be asked to pay land rent until harvest. The forests can then be harvested at a time convenient to ultimate users whether they be local mills or overseas importers.

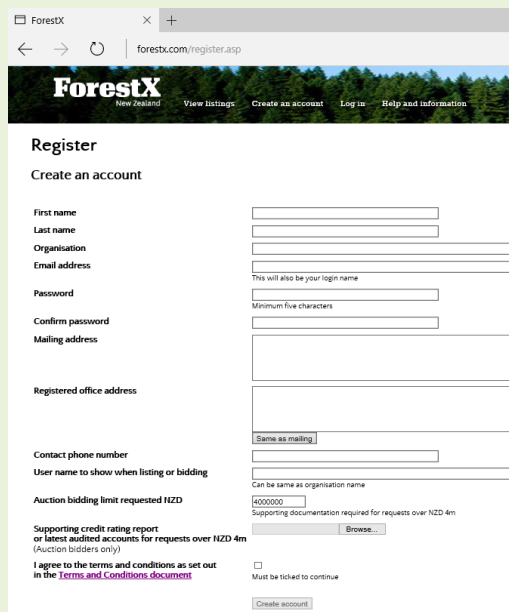
Forests can be sold on harvest. Selling on harvest means the seller can take the full production profit.

Stage by stage

Follow these four stages to sell your forest. We suggest you read through these stages before you start so that you will know what to expect.

1. REGISTER, AGREEING TO THE TERMS AND CONDITIONS

- Select *Create an account* in the main menu



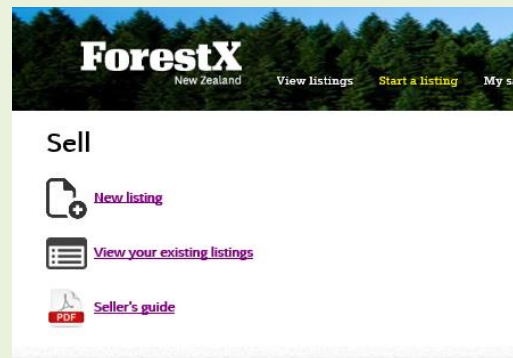
The screenshot shows the ForestX registration page. The browser address bar displays 'forestx.com/register.asp'. The page header includes the ForestX logo and navigation links: 'New Zealand', 'View listings', 'Create an account', 'Log in', and 'Help and information'. The main heading is 'Register' with a sub-heading 'Create an account'. The form fields include: 'First name', 'Last name', 'Organisation', 'Email address' (with a note 'This will also be your login name'), 'Password' (with a note 'Minimum five characters'), 'Confirm password', 'Mailing address', 'Registered office address' (with a 'Same as mailing' checkbox), 'Contact phone number', 'User name to show when listing or bidding' (with a note 'Can be same as organisation name'), and 'Auction bidding limit requested NZD' (with a value of '4000000' and a note 'Supporting documentation required for requests over NZD 4m'). There is a 'Browse...' button for supporting documentation. At the bottom, there is a checkbox for 'I agree to the terms and conditions as set out in the Terms and Conditions document' and a 'Create account' button.

- Fill out the required details
- If you are also likely to bid on listings as a buyer, consider whether the *Auction bidding limit* you will require will exceed NZD4m. If you are unlikely to be an auction buyer or a NZD4m limit is likely to be sufficient as an auction buyer, please leave the *Auction bidding limit requested* amount at NZD4m.
- For an auction bidding limit in excess of NZD4m, nominate the amount in *Auction bidding limit requested*. Then in support of your nomination attach either your credit rating report from Standard and Poors or Moodys credit rating agencies, a letter of credit for 60 percent of the nominated amount, or your latest set of audited accounts for review

- Read and agree to the terms and conditions as a prerequisite to the account being created
- When you are satisfied that the information you have provided is correct and you have agreed to the terms and conditions, please submit the information by pressing the *Create account* button
- Your request for an account will be checked by one of our staff and an email sent to you confirming that the account has been opened

2. DESCRIBE WHAT YOU ARE SELLING, CHOOSING A METHOD OF SALE BETWEEN FIXED PRICE, TENDER AND AUCTION

- *Log-in* then select *Start a listing* in the main menu



The screenshot shows the ForestX 'Sell' page. The browser address bar displays 'forestx.com/sell'. The page header includes the ForestX logo and navigation links: 'New Zealand', 'View listings', 'Start a listing', and 'My sa'. The main heading is 'Sell'. There are three main links: 'New listing' (with a plus icon), 'View your existing listings' (with a list icon), and 'Seller's guide' (with a PDF icon).

- Click on the *New listing* link and fill out the information requested in *Step 1 of 4*

ForestX
New Zealand View listings Start a listing My sales My account

Start a listing

Step 1 of 4 - Forest information

Species:

Silviculture:

Total planted area: ha

Year of first planting:

Sale includes:

Region:

Address:

Main public road access point location: latitude longitude
Find:

Land title reference:

Forest manager name (if any):

Description:

Inspection instructions:

Full specification document: Browse...

Photos: Browse...
 Browse...
 Browse...
 Browse...
 Browse...

Next step =>

- Only include information about the forest you are selling
- If as part of a fixed price or tender sale of your forest you are selling both *Trees and land*, either enter the details of your real estate agent or select for our recommended real estate agents to contact you with proposals.

ForestX
New Zealand View listings Start a listing My sales My watchlist My account

Start a listing

Step 1 of 4 - Forest information

Species:

Silviculture:

Total planted area: ha

Year of first planting:

Sale includes:

Land sale option: Provide your own land agent details
 Have a land agent contact me

Agents: **Harcourts** is a full service real estate group. It has forestry specialists based in Northland, Auc through their overseas branch network.
PGG Wrightson Real Estate has a long tradition of service to primary industry in New Zealand
When you select this option these two teams will be automatically emailed with your details.

- Our recommended agents are Harcourts and PGG

Wrightsons. Both specialise in the sale of forestry land and have national representation.

- The option to sell land is not available for auction sales.
- If you are selling a part share in a forest enter the number of hectares in *Total planted area*, the share you are selling represents. Please note that in most circumstances only Managed Investment Schemes licensed by the Financial Markets Authority, are in a position to offer for sale shares in forest partnerships
- If your forest has yet to be planted in *Total planted year* state the year in which it is to be planted
- If you do not know the co-ordinates of the *Main public road access point location* select *Find* and zoom the map that will appear, down to the point of public road access. Be sure to click on the access point location so that the co-ordinates appear in the boxes provided for them
- Include details of the forest manager and in the description section be sure to detail what records are available, including records from any forest manager
- Attach other information to your description that will help bidders to better understand your offer. Additional information may be the latest forest manager report or a valuation. If you are selling a part share in a forest partnership this is a good place to attach the partnership deed and detail

the interest that is being sold. If you have multiple documents we suggest you merge them into a single PDF document with a table of contents and then upload the combined PDF document

- Once you are satisfied that you have fully described what you are selling press the *Next step* button
- In *Step 2 of 4* select the *Sale method*

- If you select the *Fixed price* option you will be asked to set your *Price*

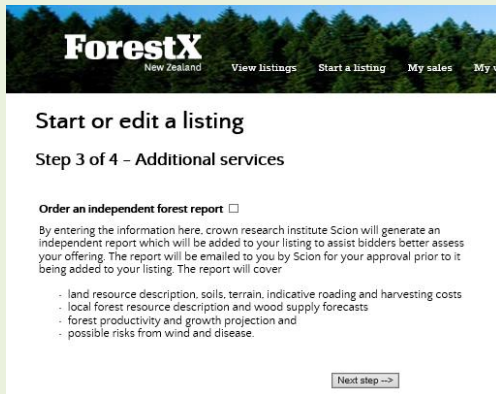
- If you select the *Tender* option you may set a *Reserve*. If you do you can determine whether the reserve is shown to bidders

- If you select the *Auction* option you will be asked to nominate a *Start Price* above which bids must start. Decide whether or not a *Reserve* will be in place and, if one is, whether it will be shown to bidders. You are required to set the size of *Bid increment* to determine the amount by which bidding will increase. The level of bid increment is shown to bidders

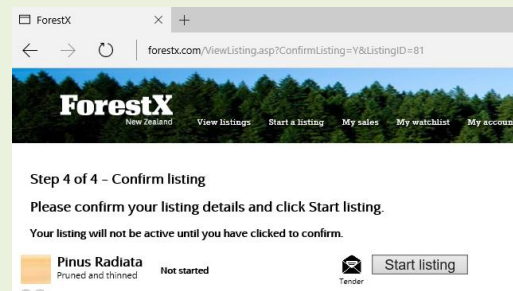
- Attach the proposed *Sale agreement document* you have arrived at with your solicitor, with the option of using one of the templates provided to speed the process, then press the next step button. Please note that the templates are not legal advice and should not be attached as they are displayed. Only attach a sale

agreement document agreed to by your solicitor

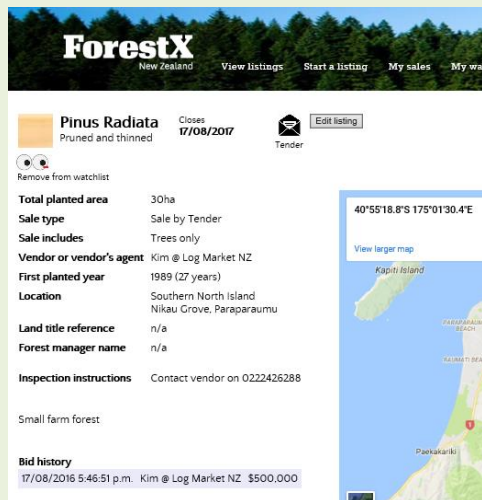
- In *Step 3 of 4* you will be given the opportunity to add a Forest Description Report to your listing



- In selecting this option enter the information requested. We will generate the Forest Description Report which will be added to your listing to assist bidders better assess your offering. The report will be emailed to you for your approval prior to it being added to your listing. The report will cover: technical land and resource descriptions, access details, resource consenting requirements, wood volume estimates, carbon status and options, technical quality indicators and risks such as wind, fire and environment. In opting for this report you will put your buyers in a position to complete their due diligence efficiently
- When you are ready press *Next step*, your listing will be displayed for you to check



- This is *Step 4 of 4*. Press the *Start listing* button to confirm your listing. On doing so your listing will immediately display in *View listings* enabling bidders to submit bids. It will also appear in *My sales* along with all other forests you have listed
3. BE AVAILABLE FOR QUESTIONS AND DUE DILIGENCE. IF YOU HAVE A FOREST MANAGER MAKE SURE THEY ARE ALSO AVAILABLE.
 4. WHEN BIDS COME IN YOU WILL NEED TO MAKE A DECISION AS TO WHICH ONE YOU WISH TO ACCEPT, UNLESS YOU ARE SELLING BY AUCTION
 - Select *Log-in* in the main menu, then *My sales*
 - From the list that then displays select the listing you wish to work with by clicking on it
 - Once clicked on you will see basic listing information so that you can be sure you are viewing the listing you intend working with
 - The *Bid history* is displayed in the bottom left hand corner of the screen



- Fixed price and Tender sales may have bid conditions. Conditions will display as an attachment icon. Hover your cursor over the icon and the associated conditions will display below the *Bid history*. Click on the bid you wish to accept and confirm acceptance. The finalised contract with the bid amount and accepted conditions will be emailed to the successful bidder for their signature, copying you. The bidder is asked to return the signed contract to you so that you can also sign it and make arrangements for settlement
- If you are selling by Auction you will be able to view the bid history. To remove a bid that is not of interest you click on the *Remove* link. An email will immediately be sent to the bidder advising of the removal giving them options to call you for further details. At the close of the auction your forest will be sold according to the uploaded contract to the

highest bidder above your reserve price. The contract with the bid amount entered will be emailed to the successful bidder for their signature, copying you. The bidder is asked to return the signed contract to you so that you can also sign it and make arrangements for settlement.

Getting it right

Selling forests is a technical exercise that requires many assumptions about uncertain future events. By consulting professionals, including a registered forestry consultant, your accountant and your solicitor you can take a systematic approach to the decisions you will have to make.

In registering, sellers undertake to meet fees on the successful consummation of a sale. Fees are 0.4 percent for transactions plus 0.4 percent if a Forest Description Report has been used in the transaction, a maximum of 0.8 percent. Land sale fees are separate and negotiated directly between you and your real estate agent. Fees are payable regardless of how the forest is sold in the twelve month period from it being listed.

Help is at hand

If you need assistance, please email us at help@forestx.com or call us during New Zealand business hours on +64 4 390 1700. We will be pleased to assist you.