

Minutes of First Meeting of Creditors

Tunncliffe Timber Solutions (2018) Limited (Company No. 6827313)
(Administrators Appointed)
(the 'Company')

Held at 12 pm on Friday, 10 November 2023 at Lightning Hub, 193 The Strand,
Whakatane (Room 3, Seminar Room)

Introduction

Natalie Burrett (the Chairperson) introduced herself and welcomed the creditors to the First Meeting of Creditors of the Company. She introduced colleagues from Calibre Partners Keegan Robbins (in person) and Amanda Lee (online), and Michael Langdon and Phillipa Lamberton of MinterEllisonRuddWatts (online), as legal advisors.

The Chairperson advised the meeting had been called pursuant to Section 239AN of the Companies Act 1993 (the **Companies Act**). The creditors were advised the purpose of the meeting was to determine whether to appoint a committee of creditors and, if so, who that committee ought to be comprised of. Creditors were advised that they could also by resolution remove the Administrators from office and appoint someone else as Administrator.

It was noted that the meeting was procedural and the next creditors meeting would give creditors the opportunity to vote on and decide the future of the company. It was also noted that the creditors would be provided a report by the administrators about the company's business, property, affairs and financial circumstances in advance of the next creditors meeting.

Attendance

The Chairperson advised that 6 creditors had dialled in online at the meeting and there were 11 in the room plus one observer (a creditor's partner).

Notice of Meeting

The Chairperson tabled the following documents:

- Firstly, the Notice of Meeting which accompanied the Circular to Creditors which was sent to all known creditors on 2 November 2023 by email, and a further email to some creditors on 7 November 2023.
- Secondly, a copy of the newspaper advertisement of notice of meeting that appeared on 3 November 2023 in the NZ Herald and the Bay of Plenty Times

Quorum

It was noted that based on proxies and postal votes received and persons present at the meeting, that a quorum was present.

Open of meeting and Chairperson

The Chairperson declared the meeting open at 12.11pm and that pursuant to Section 239AK(3) of the Companies Act, she would be chairing the meeting.

Administrator's address

The Chairperson provided a brief update on the Administration to date (being the first eight days) as follows:

The sole Director appointed administrators on 31 October 2023 after confirming there were no further options available to the Company to secure additional capital.

Voluntary administration is a short-term measure that effectively freezes the Company's financial position, giving creditors the opportunity to consider, and eventually vote on, the future direction of the Company.

The Administrators now control the assets and operations of the Company (as agents of the Company) for five weeks (unless extended by the Court).

Due to lack of funding, the administrators initially ceased trading the business while they assessed the options for the Company and consider the strategy or strategies to realise the assets. Some staff had been engaged to assist that process which was ongoing and the Administrators were in control of the Company's premises. The Administrators' report due to be issued on 28 November 2023 ahead of the next creditors' meeting would include more detail regarding the company's background and options available.

The Chairperson tabled the Administrators' Consent to Act, the Interests Statement recording there were no prior interests to be disclosed and a notice to creditors about administrators as licensed insolvency practitioners.

It was also noted to those at the meeting that if anyone had any interest in the business or assets or wishes to make offers for any of the stock, to get in touch with the Administrators. Urgent expressions of interest were sought for all or substantially all the assets by 22 November 2023.

Attendance/Admission of proxies

The Chairperson considered the creditors present, both in person and by proxy or attorney and ensured all those in attendance had signed either the creditors or observers register.

Voting Procedures

The Chairperson discussed creditors' entitlement to vote and advised creditors that motions were to be resolved by paper ballot and procedure for such voting for the Company was discussed.

A resolution would be carried if a majority of creditors voting (whether in person, by attorney or by proxy) voted in favour and the value of the debts owed by the Company to those voting in favour was more than 75% of the total debts owed to all creditors voting.

The Chairperson explained that she could exercise a casting vote if no result was reached for or against a resolution, in certain circumstances. The Chairperson advised that only one poll voting paper should be submitted for each resolution, noting that creditors who had yet to vote should complete a voting paper and hand in the voting paper for collection.

Confirmation of Administrators

The Chairperson advised that pursuant to Section 239R of the Companies Act, the creditors may replace the Administrators. The Chairperson noted that no nominations for replacement Administrators had been received to date and invited nominations for any such replacement from the floor. There was no such nomination.

As no nominations for an alternative Administrator were received, the Chairperson declared that the appointment of Neale Jackson and Natalie Burrett was confirmed and no vote was held on this resolution.

Committee of Creditors

The Chairperson noted that the substantive part of the First Meeting of Creditors is to elect a committee of creditors. She then added that pursuant to 239AQ(1) of the Companies Act, the functions of a committee of creditors of a company under administration are to consult with the Administrators about matters relating to the administration and also to receive and consider reports of the Administrators.

Pursuant to Section 239AQF(2) of the Act, the committee of creditors cannot give directions to the Administrators except to require the Administrators to report to the committee about matters relating to the administration as and when reasonably required.

Section 239AR of the Companies Act provides that a person can only be a member of the committee of creditors if the person is:

- a creditor of the company
- the agent of a creditor under a general power of attorney, or
- authorised in writing by such a creditor to be a member of the committee.

The Chairperson then called on creditors to vote on the following motion:

"It is resolved that a creditors committee be appointed"

The Chairperson advised that the meeting would be temporarily adjourned to conduct a vote by paper ballot to determine whether the creditors of the Company resolve to appoint a committee of creditors.

The meeting was adjourned at approximately 12.25 pm for creditors to hand in their creditor claim forms for voting purposes, if not already provided to the administrators.

The meeting reconvened at approximately 12.35pm. As requested by some employees, the Chairman provided further clarity regarding the purpose of a creditors committee.

The meeting was further adjourned at approximately 12.45 pm for creditors in attendance to complete their paper votes to be cast and counted in respect of the Company.

The meeting reconvened at approximately 12.55. The Chairperson noted that the postal votes received to date were:

For % (by number)	Against % (by number)	Abstain (by number)	For % (by \$ value)	Against % (by \$ value)	Abstain (by \$ value)
1%	84%	15%	\$ 65,716.28	\$3,739,373.46	\$23,578.33

The Chairperson then reported a summary of results of all in person, postal and proxy votes received to date on the creditors' committee resolution in respect of the Company as follows:

For % (by number)	Against % (by number)	Abstain (by number)	For % (by \$ value)	Against % (by \$ value)	Abstain (by \$ value)
6%	80%	14%	\$ 275,531.53	\$3,757,794.73	\$655,356.21

On the basis that:

- the majority of creditors in number represented at the meeting voted against the resolution; and
- creditors owed more than 75% in value of the total debts owed to all creditors of the company voting voted against the resolution,

the Chairperson then stated, "It is resolved that the resolution to appoint a creditors committee has failed".

Close Meeting


The Chairperson stated that this now completed all formal business of the meeting and that it was her intention to close the meeting, following which creditors would have an opportunity to ask questions of the Administrators.

The Chairperson declared the meeting closed at 12.59pm.

Closure of Meeting

As there was no further business, the Chairperson declared the meeting closed at 1.04 pm.

Signed as a true and correct record.

A handwritten signature in black ink, appearing to be 'NB' followed by a stylized flourish.

Natalie Burrett
Chairperson, Joint and Several Administrator
Tunncliffe Timber Solutions (2018) Limited (Administrators Appointed)