

NOTICE OF ANNUAL MEETING

Notice is hereby given that the 11th Annual Meeting of shareholders of Evergreen Forests Limited (the "Company") will be held at Waipuna Hotel & Conference Centre, Auckland, on Friday 29 October 2004 commencing at 10.30am.



BUSINESS TO BE CONDUCTED

Annual Report

1. To receive the annual report of the Company for the year ended 30 June 2004, including the financial statements of the Company and the auditors' report thereon.

Re-election of Director

2. In accordance with the constitution of the Company, Mr Peter Wilson retires by rotation. Mr Wilson being eligible, seeks reappointment (Resolution 1).

Auditors

3. To authorise the board of directors of the Company to fix the remuneration of the auditors for the ensuing year (Resolution 2).

Constitution

4. To consider and if thought fit, pass a special resolution amending the Company's constitution as described in the attached explanatory notes (Resolution 3).

General Business

5. To consider other such business which may be properly submitted to the meeting.

By order of the Board of Directors of the Company



Vivek Singh
Chief Financial Officer
27 September 2004

Notes:

1. Resolutions 1 and 2 are ordinary resolutions and therefore are required to be passed by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions. Resolution 3 is a special resolution and therefore is required to be passed by 75% or more of the votes of those shareholders entitled to vote and voting on the resolution.
2. Shareholders (or their proxies) and convertible noteholders of the Company (or their proxies) are entitled to attend the annual meeting. Only shareholders (or their proxies) are entitled to vote at the annual meeting. A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and to vote on a poll instead of that shareholder.
3. If you wish to appoint a proxy you should complete the enclosed proxy form. A proxy need not be a holder of shares in the Company. If you wish, you may appoint "the Chairman of the Meeting" as your proxy.
4. No proxy shall be entitled to vote at the meeting unless a proxy form is received at the office of the Company's Share Registrar, Computershare Registry Services Limited, Private Bag 92119, Auckland 1020; or by fax (09) 522 0058 not less than 48 hours before the time set for the meeting, that is, no later than 10.30 am Wednesday 27 October 2004.

EXPLANATORY NOTES TO NOTICE OF ANNUAL MEETING



RESOLUTION 1: RE-ELECTION OF DIRECTOR RETIRING BY ROTATION

In accordance with the Company's constitution, director Peter Wilson will retire by rotation and offer himself for re-election.

RESOLUTION 2: AUDITORS

Pursuant to section 200 of the Companies Act 1993, PricewaterhouseCoopers is automatically re-appointed as auditor of the Company. This resolution authorises the board of directors of the Company to fix the auditors' fees and expenses for the ensuing year.

SPECIAL RESOLUTION 3: CONSTITUTION

NZX recently amended the NZSX Listing Rules ("Listing Rules") to allow issuers to incorporate the Listing Rules into their constitutions by reference as of 3 May 2004 (Listing Rule 3.1.1(a)). Resolution 3 seeks shareholder approval for the Company to amend its constitution to take advantage of this Listing Rule change.

As a consequence, in the future, shareholders will not be required to approve amendments to the Company's constitution, to accommodate any further changes to the Listing Rules.

LISTING RULES

The proposed amendments to the Company's constitution incorporate by reference (instead of in full) a number of provisions from the Listing Rules, as permitted by Listing Rule 3.1.1(a). Accordingly, the provisions which were formerly required to be contained in the Company's constitution (which primarily relate to voting and governance requirements of issuers) will be deleted and provisions which provide for incorporation by reference will be inserted.

The advantages of this approach include:

- Removing the need for express constitutional amendments each time the Listing Rules are amended, and by doing so saving the Company both time and money;
- The Company will be able to utilise any Listing Rule amendments from the date that those amendments become effective without the need to first obtain specific waivers or rulings in each case;
- Shortening and simplifying the constitution.

A copy of the Listing Rules is on NZX's website (www.nzx.com).

RECENT KEY AMENDMENTS TO THE LISTING RULES

NZX made a number of key changes to the Listing Rules in October 2003 and again in May 2004, which the Company intends to incorporate by reference. We summarise the key changes to the Company's constitution (referencing the existing section and clause references and section and clause titles of the Company's constitution) below.

Change to related party transaction thresholds:

- Section 33 (Restriction on Transactions with Related Parties). The related party transaction thresholds have changed so that they are now calculated on the basis of the Company's average market capitalisation (the previous test was based on the lesser of shareholders' funds or average market capitalisation) (Listing Rule 9.2).

Related party transactions are now permitted without shareholder approval for transactions which are employment agreements (with a natural person who is not a Director) or where the total value of the transaction is less than \$250,000 (Listing Rules 9.2.1(c) and (d)).

Change to major transaction thresholds:

- Section 32 (Restriction on Disposal or Acquisition of Assets). The threshold for shareholder approval to a major transaction has been amended to apply to transactions of a gross value exceeding 50% of an issuer's average market capitalisation (the previous test was 50% of the lesser of an issuer's average market capitalisation or the gross value of its assets) (Listing Rule 9.1.1).

Increase in limits for issue of equity securities

- Clause 4.2(c) (Restrictions on Issue – Issues within 10% Limit). The percentage limit of equity securities which may be issued without shareholder approval to persons other than Directors or employees in any 12 month period has increased from 10% to 15% (Listing Rule 7.3.5).
- Clause 4.2(d) (Restrictions on Issue – Employee Share Issues). The percentage limit of equity securities which may be issued to employees without shareholder approval in any 12 month period has increased from 2% to 3% (Listing Rule 7.3.6(c)).

- New equity securities may be issued to existing equity security holders without shareholder approval if the consideration does not exceed \$5,000 per holder and the number of equity securities issued does not exceed 30% of the number of fully paid equity securities already on issue (Listing Rule 7.3.4(ba). This provision does not currently exist in the Company's constitution.
- Clause 4.2(a) (Restrictions on Issue – Specifically Approved Issues). The time limit for completing issues of securities which have been approved by shareholders has been increased from 6 months to 12 months (Listing Rule 7.3.2(b)).
The time limit for completing issues of securities made solely to employees has been increased from 12 months to 36 months (Listing Rule 7.3.2(a)).
- The Company cannot reprice or amend the terms of any securities issued with shareholder approval to or for the benefit of employees or Directors, without either the approval of NZX or a further ordinary resolution of shareholders (Listing Rule 7.3.7A). This provision does not currently exist in the Company's constitution.

Remuneration of directors and payments on cessation of office:

- Clause 37.1 (Remuneration and Other Benefits of Directors – Restriction on Authorisation). The Listing Rules now provide that no remuneration will be paid to a non-executive director in his or her capacity as a director of the Company or any subsidiary, other than a subsidiary which is listed (including any remuneration paid to that director by a subsidiary other than a subsidiary which is listed) unless that remuneration has been authorised by an ordinary resolution of shareholders of the Company (Listing Rule 3.5.1).
- Clause 37.6 (Remuneration and Other Benefits of Directors – Retirement Benefits). The Company cannot make payments to Directors on cessation of office without shareholder approval, unless the payment is made to a Director in office on or before 1 May 2004 (provided that the total amount of the payment does not exceed the Director's total remuneration in his or her capacity as a Director in any three years chosen by the Company) (Listing Rule 3.5.2).

Corporate governance:

NZX has made a number of changes to the corporate governance provisions of the Listing Rules.

- Issuers must have a minimum of two Independent Directors, or if the issuer has eight or more Directors, either three or one-third (whichever is the greater) must be independent. The Board must determine who is independent and advise the market (Listing Rule 3.3).
- Issuers must have an audit committee, with at least 3 members. It must comprise only Directors and a majority must be independent. One member must have a financial or accounting background and among other things, the committee must ensure that the external auditor or lead audit partner is changed every 5 years (Listing Rule 3.6).

These provisions do not currently exist in the Company's constitution.

Note: NZX has approved the proposed new constitution.

SCOPE OF EXPLANATORY NOTE

This explanatory note describes the proposed amendments to the Company's constitution (which have been approved by NZX) at a high level only. The Board recommends to shareholders that they review the Act and the amendments to the constitution and the Listing Rules to understand fully the proposed amendments to the Company's constitution.

In particular, this explanatory note is not intended to be a substitute for a review by shareholders of the Act and the amendments to the constitution and the Listing Rules.

Please note all clause references listed in the paragraphs below refer to clauses set out in the Company's existing constitution.

AMENDMENTS

Listing Rules: The following clauses of the Company's constitution are proposed to be deleted, and incorporated by reference pursuant to the Listing Rules, clauses: 4.2 – 4.5, 5.1 – 5.4, 6.2 – 6.6, 7.1 – 7.3, 14.1 – 14.4, 15.1 – 15.7, 16.1 – 16.7, 17.1 – 17.8, 18.1 – 18.3, 27.2, 27.3, 32.1 – 32.4, 33.1 – 33.5, 34.8, 34.9, 37.1 – 37.3, 37.5, 37.6, 41.8 and 44.2. For the avoidance of doubt, where the Listing Rules have been recently amended (discussed above), the most recent amendments to the Listing Rules will be incorporated by reference.

Amendments will also be made to clauses 1.1, 2.2, 2.3, 4.1, 4.6, 6.2, 11.2, 13.3, 13.5, 13.10, 23.6, 24.1, 24.2, 24.7, 26.1, 26.2, 26.5, 26.7, 34.1 – 34.6, 35.1, 36.2, 37.4, 38.1, 38.3, 38.5, 40.3, 41.4, 41.5, 41.7 and 41.10 to provide for incorporation of the Listing Rules by reference (including changes to clause references as a result of the deletions referred to above) and definitional changes which are in keeping with the 3 May 2004 amendments to the Listing Rules, and which include amongst other changes a new definition for "NZX".

To assist shareholders, a copy of the constitution with the proposed changes highlighted can be obtained on the Company's website (www.evergreen.co.nz).

ADMISSION CARD TO ANNUAL MEETING 2004

Waipuna Hotel & Conference Centre, 58 Waipuna Road, Mt Wellington, Auckland,
Friday 29 October 2004 at 10.30am



- If you wish to attend the meeting please bring this admission card and ballot paper.
- If you are not attending and would like to nominate another person to act as your proxy, please complete the "Proxy Form" and "Voting Instructions/Ballot Paper" sections, fold and post so that it is received by the Share Registrar no later than 48 hours before the start of the meeting, that is, by 10.30am on Wednesday 27 October 2004.



Detach here

PROXY FORM

I/We _____

being a shareholder of Evergreen Forests Limited

hereby appoint* _____

of _____

or failing him/her _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the annual meeting of the Company to be held on Friday 29 October 2004 and at any adjournment thereof.

* The Chairman of the meeting is willing to act as proxy for any shareholder who may wish to appoint him for that purpose. Please refer to the notes on the reverse of this form.

Fold here

VOTING INSTRUCTION/BALLOT PAPER

This form is to be used to vote as follows on the following resolutions:

Please tick the appropriate box

Ordinary Resolutions

1. To re-elect Mr Peter Wilson as a Director of the Company.
2. To authorise the directors to fix the auditors' remuneration for the ensuing year.

FOR

AGAINST

Special Resolution

3. To amend the Company's constitution as described in the attached explanatory notes.

Signed this _____ day of _____ 2004.

Signature(s) of shareholder(s) _____

(If joint shareholders, both must sign)

Shareholder no: _____ Holding: _____

Affix stamp
here for
postage

Computershare Investor Services Limited
Private Bag 92 119
Auckland 1020
New Zealand

Notes:

1. A shareholder who is entitled to attend and vote at the annual meeting may appoint a proxy to attend and on a poll, to vote instead of the shareholder.
2. A convertible noteholder who is entitled to attend the annual meeting may appoint a proxy to attend instead of the noteholder.
3. To be valid, this proxy form must be received by Computershare Investor Services Limited, Private Bag 92119, Auckland, no later than 48 hours before the start of the meeting.
4. If you wish, you may appoint the "Chairman of the Meeting" as your proxy.
5. In the case of joint shareholders, this form must be signed by all the joint shareholders.
6. In the case of a corporate shareholder, this form must be signed by a director or duly authorised officer, acting under the express or implied authority of the shareholder.
7. If this form is signed by an attorney of a shareholder, a certificate of non-revocation of the power of attorney must be attached, together with a copy of the power of attorney, unless it has previously been produced to the Company.