

STRADA CORPORATION LIMITED

STATEMENT OF INTENT

JULY 2016

INTRODUCTION

This is the twenty-fifth Statement of Intent submitted by the Board of Directors of Strada Corporation Limited in accordance with Section 64 of the Local Government Act 2002. It sets out the Company's intentions for the year ended 30 June 2017 and the two succeeding financial years. It covers the operations of Strada Corporation Limited.

THE OBJECTIVES OF THE COMPANY

To wind down the operations of the Company and sell its assets to enable return of capital to the shareholder.

THE BOARD'S APPROACH TO GOVERNANCE

The Directors propose to govern the business in a diligent and professional manner in accordance with the Duties of Directors as contained in the Companies Act and best practice.

NATURE AND SCOPE OF ACTIVITIES

To realise all of the assets of the Company at the best possible price to enable return of capital to the shareholder.

THE PERFORMANCE TARGETS AND OTHER MEASURES BY WHICH THE PERFORMANCE OF THE COMPANY MAY BE JUDGED IN RELATION TO ITS OBJECTIVES

1. All assets realised by 31 December 2016 (with the exception of a balance receivable in respect of the investment in Waikato Quarries Limited).
2. All debt repaid by 30 June 2016.

The table below sets out details of asset sales:

Asset	Book Value 30 June 2015	Sale Proceeds	Date
2 – 4 Brownlee Avenue	\$380,000	\$450,000	Completed
8A Brownlee Avenue	\$1,160,000	\$1,160,000	30 June 2016
27 Glasgow Street, Huntly	\$600,000	\$500,000	31 August 2016
Quarry land	\$2,580,000	\$2,500,000	Completed
WQL Business (50%)	\$4,864,435	\$2,525,000*	Completed
Plant and equipment / vehicles	\$2,529,614	\$2,540,000**	By 31 December 2016

*\$625,000 deferred - \$125,000 29 April 2018
- \$500,000 29 April 2019

**Based on valuation advice.

The Company guaranteed certain obligations of Waikato Quarries Limited in relation to the sale of that Company's business to Fulton Hogan Limited. This means that the Company has a contingent liability as a guarantor under the sale contract until 30 April 2019.

THE ACCOUNTING POLICIES

The company will adopt the New Zealand equivalents to International Financial Reporting Standards as promulgated by the Institute of Chartered Accountants.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

In accordance with the requirements of the Local Government Act 2002, annual and half yearly reports will be submitted to the shareholders. The half year report will include an unaudited Statement of Financial Performance and Statement of Financial Position and such details as are necessary to permit an informed assessment of the Company's performance during the reporting period. A Chairman's review will accompany this report. The annual report will include an audited Statement of Financial Performance and Statement of Financial Position and will comply with all statutory requirements. In addition there shall be sent to the shareholder within two months of the end of the quarters ending on the 30th September and the 31st March a statement giving particulars of the income, expenditure and a statement of the financial position of the company at the end of each of such quarters.

The Company will provide necessary information required to meet the requirements of Sections 95 and 98 of the Local Government Act 2002.

The Directors will be available at all reasonable times to discuss with the shareholders such information as the shareholders may require to assess the value of their investment and to provide any information which should normally be supplied to controlling private shareholders.

PROCEDURES TO BE FOLLOWED BEFORE COMPANY PURCHASE OR OTHERWISE ACQUIRES SHARES IN ANY COMPANY OR OTHER ORGANISATION

The Directors will not be making any investment of a material nature.

ACTIVITIES FOR WHICH COMPENSATION IS SOUGHT FROM THE SHAREHOLDERS

There are no activities at present for which the Company seeks compensation from shareholders.

THE DIRECTORS ESTIMATE OF THE COMMERCIAL VALUE OF THE SHAREHOLDERS' INVESTMENT IN THE COMPANY

The Directors estimate the commercial value of the shareholders' investment in the Company as at 30th June 2016 is \$6,200,000 (30th June 2015 - \$8,700,000).

The commercial value will be estimated annually at balance date.