



Dividend Reinvestment Plan Rules

Willmott Forests Limited
(ABN 17 063 263 650)

Shareholders should read this booklet
which contains the Terms and
Conditions of the Plan and, if in doubt,
consult their legal or financial adviser
immediately.

Table of Contents	Page
1. Interpretation	1
2. The Plan	2
3. Applications to participate in the Plan	2
4. Degree of Participation	2
5. Acceptance of applications	3
6. Reinvestment of Dividends	3
7. Variation or termination of Participation	5
8. Limitation subscription	5
9. Modification, suspension and termination of the Plan	5
10. Administration of the Plan	6
11. Participants to be bound	6
12. Cost to the Participants	6
13. Notices	6

1. Interpretation

1.1 The following words have these meanings in these Rules, unless the contrary intention appears:

ASX means Australian Stock Exchange Limited (ACN 008 624 691).

Company means Willmott Forests Limited (ABN 17 063 263 650).

Constitution means the constitution of the Company as amended from time to time.

Directors means the Directors of the Company acting as a board or as a duly appointed committee of the board.

Dividend means a cash Dividend or cash component of a Dividend paid by the Company.

Eligible Member means a person registered as the holder of Shares other than a person with a registered address in any place whose laws or regulations in the opinion of the Directors make it unlawful or impracticable for the person to participate in the Plan.

Notice of Dividend Election means an application to participate in the Plan in respect of a particular shareholding account in the form that the Directors from time to time approve.

Notice of Variation means a notice in the form that the Directors from time to time approve by a Participant to increase or decrease the number of the Participant's Plan Shares.

Ordinary Shares means fully paid ordinary shares in the capital of the Company.

Participant means an Eligible Member whose application to participate in the Plan in respect of a particular shareholding account has been accepted by the Directors.

Plan means the Willmott Forests Limited Dividend Reinvestment Plan, the terms of which are set out in these Rules.

Plan Shares means the Shares in a particular shareholding account which are designated by a Participant as Shares the Dividend on which is to be applied in subscribing for Ordinary Shares under the Plan.

Shares means the Ordinary Shares in the capital of the Company.

1.2 A reference to a person includes a corporation and the singular includes the plural and vice versa.

2. The Plan

The Plan and these Rules will commence operation on such date as the Directors in their sole discretion determine.

3. Applications to participate in the Plan

- 3.1 The Company from time to time invites Eligible Members to participate in the Plan
- 3.2 No person other than an Eligible Member may apply to participate in the Plan.
- 3.3 Participation in the Plan is optional and not transferable.
- 3.4 Every Eligible Member who wishes to participate in the Plan must lodge a Notice of Dividend Election with the Company.
- 3.5 All joint holders of Shares must sign a Notice of Dividend Election for it to be valid.
- 3.6 A Notice of Dividend Election must be properly completed in accordance with the instructions contained therein for it to be valid.
- 3.7 An Eligible Member wishing to participate in the Plan in respect of a particular shareholding account must lodge a Notice of Dividend Election for each shareholding account it wishes to nominate and each nominated shareholding account of an Eligible Member will be treated separately for all purposes under the Plan.

4. Degree of Participation

- 4.1 An Eligible Member must specify on the Notice of Dividend Election the degree to which the Eligible Member wishes to participate in the Plan in respect of the nominated shareholding account. In respect of any nominated shareholding account, participation may be:
 - (a) full participation for all the Participant's Shares in that shareholding account from time to time however acquired (including Ordinary Shares allotted under the Plan); or
 - (b) partial participation for a specific number of Shares nominated by the Participant together with the Ordinary Shares allotted under the Plan and any bonus shares allotted in respect of Plan Shares. However, if at the record date for a Dividend, the number of the Shares held by the Participant is fewer than the nominated number, then the Plan will apply only to that lesser number for that Dividend.
- 4.2 Notwithstanding Rule 4.1 the Directors may at any time with written notice to Eligible Members limit participation in the Plan by limiting the amount of Dividend which may be reinvested under the Plan.
- 4.3 Notice of Dividend Election received by the Company which do not indicate the shareholding account to which the notice applies or the degree of participation in the Plan will, without notice to the applicant, be deemed to be an application for full participation in the Plan for all shareholding accounts of the applicant.

5. Acceptance of applications

- 5.1 The Directors may in their absolute discretion accept or refuse any Notice of Dividend Election, without being bound to give any reason for doing so.
- 5.2 Each Notice of Dividend Election accepted by the Directors will be effective in respect of:
- (a) the first Dividend payment after receipt of the Notice of Dividend Election, provided it is received before the record date for that Dividend; and
 - (c) every Dividend thereafter unless superseded by a later Notice of Variation or by termination of the Participant's participation in the Plan, or the Plan has been suspended or terminated.
- 5.3 The Company will record for each nominated shareholding account of each Participant particulars of:
- (a) the name and address of the Participant; and
 - (b) the number of Plan Shares held by the Participant from time to time,

and the Company's records will be conclusive evidence of the matters so recorded.

6. Reinvestment of Dividends

- 6.1 Dividends on Plan Shares will be applied by the Directors on the Participant's behalf in subscribing for Ordinary Shares. Any Dividends on Plan Shares which the Company is entitled to retain under its Constitution or otherwise will not be available for subscribing for Ordinary Shares. If the Company is required to remit tax or an amount on account of tax to a tax authority in respect of a Dividend that amount will be deducted and only the balance will be applied in subscribing for Ordinary Shares.
- 6.2 The Directors will establish and maintain a Plan account for each shareholding account of each Participant. At the time of each Dividend payment, the Directors will:
- (a) determine the Dividend payable in respect of the Plan Shares;
 - (b) determine (where applicable) the Australian tax or amount on account of tax deductible by the Company in respect of the Dividend, and any other sum the Company is entitled to retain in respect of the Plan Shares;
 - (c) credit the amount in (a) above and debit any amount in (b) above to the Participant's Plan account;
 - (d) determine the maximum whole number of Ordinary Shares which can be acquired under these Rules by using the amount in the Participant's Plan account;
 - (e) subscribe for Ordinary Shares in the name of the Participant and debit the subscription amount against the balance in the Participant's Plan account; and
 - (f) carry forward any residual positive balance.

6.3 The number of Ordinary Shares issued to each Participant will be the whole number equal to, or when not a whole number, the nearest whole number below the number calculated by the formula:

$$\frac{D - T + R}{C}$$

Where:

- D** is the Dividend payable on the Participant's Plan Shares as at the record date for that Dividend;
- T** is any tax impost or other sum the Company is entitled to retain in relation to the Dividend or the Plan Shares;
- R** is the residual positive balance carried forward in the Plan account;
- C** is an amount which equals the weighted average price for a fully paid Ordinary Share sold on the Stock Exchange Automated Trading System (SEATS) on the first day on which those shares are quoted ex Dividend in relation to the relevant Dividend and the following four business days, less such a discount of up to a maximum of 10% as the Directors in their sole discretion may determine.

6.4 If the number of Ordinary Shares allotted under the Plan to any Participant is the nearest whole number below the number determined in accordance with Rule 5.3, then the difference between the positive balance of the Participant's Plan account (before allotment) and the total subscription price for those Ordinary Shares will be recorded as a residual positive balance in the Plan account and will be carried forward to the next Dividend. No interest will accrue in respect of residual positive balances. On the termination of participation in the Plan any residual positive balance at that time will be paid by cheque to the Participant.

6.5 As soon as practicable after each allotment of Ordinary Shares under the Plan, the Company will send to each Participant, for each shareholding account, a statement setting out:

- (a) the number of the Participant's Plan Shares on the record date for the relevant Dividend;
- (b) the Dividend payable in respect of that Participant's Plan Shares which has been applied towards subscription for additional Ordinary Shares;
- (c) the franking credits (if any) applicable to the Dividend which has been applied towards subscription for additional Ordinary Shares;
- (d) the number of additional Ordinary Shares allotted to that Participant under the Plan;
- (e) the number of Shares (including Plan Shares) in respect of which that Participant is the registered holder after the allotment; and
- (f) the amount of the Participant's residual positive balance, if any.

6.6 All Ordinary Shares allotted under the Plan will from the date of allotment rank equally in all respects with existing Ordinary Shares.

- 6.7 Ordinary Shares to be allotted under the Plan will be allotted within the time required by the Australian Stock Exchange Limited and certificates for the Ordinary Shares will be issued as soon as practicable after allotment if so required by the Company's Constitution.
- 6.8 Ordinary Shares allotted to a Participant under the Plan will be registered:
- (a) if the Plan Shares already held by the Participant are registered on one register - on that register; or
 - (b) if the Plan Shares already held by that Participant are registered on more than one register - on the register designated by that Participant or, in the absence of a designation, on the register selected by the Company.
- 6.9 The Company will make application promptly after each allotment of Ordinary Shares under the Plan for quotation of those Ordinary Shares on the Australian Stock Exchange Limited, if other Ordinary Shares of the Company are quoted at that time.

7. Variation or termination of Participation

- 7.1 A Participant may, by lodging with the Company a Notice of Variation, increase or decrease the number of its Plan Shares or terminate participation in the Plan. A Notice of Variation must be lodged for each shareholding account. To be effective for a forthcoming Dividend, the Notice of Variation must be received by the Company before the record date for that Dividend.
- 7.2 If a Participant disposes of all the Participant's Shares without giving the Company a Notice of Variation and is not registered as a holder of any Shares when the Company's share register is next closed for payment of a Dividend, the Participant will be deemed to have terminated participation on the last date when the Company registered a transfer of the Participant's Shares.
- 7.3 When a Participant disposes of part of the holding of Shares of that Participant, and does not notify the Company otherwise, the Shares disposed of will, to the extent possible, be taken to be:
- (a) first, Shares which are not Plan Shares; and
 - (b) secondly, Plan Shares.

8. Limit on subscription

The Directors may at any time by notice in writing to Participants limit the amount of Dividend which may be reinvested in subscription for Ordinary Shares under the Plan.

9. Modification, suspension & termination of the Plan

- 9.1 The Plan may be modified by the Directors at any time after giving one month's notice in writing to all Participants in accordance with the Company's Constitution. A Participant's Plan Shares continue to participate in the modified Plan unless the Company is notified to the contrary by the Participant.
- 9.2 The Plan may be suspended or terminated by the Directors at any time, after giving such notice (if any) as the Directors determine is appropriate.

- 9.3 Notice of suspension, recommencement or termination must be given to all Participants, and the suspension, recommencement or termination will be effective:
- (a) on the date determined by the Directors and notified to Participants; and
 - (b) until such time as the Directors resolve either to recommence or terminate the Plan.
- 9.4 While the Plan is suspended, Dividends on Plan Shares will not be applied by the Directors on the Participant's behalf in subscribing for Shares.
- 9.5 The accidental omission to give notice of modification, suspension or termination to any Participant or the non-receipt of any notice by any Participant will not invalidate the modification, suspension or termination of the Plan.
- 9.6 Notwithstanding clause 9.1 the Company may at any time, without the need for any notice:
- (a) modify the Plan to comply with the Constitution of the Company or any law; and
 - (b) make minor amendments to the Plan where such amendments are of any administrative or procedural nature.

10. Administration of the Plan

This Plan will be administered by the Directors who have the power to:

- (a) determine procedures for administration of the Plan consistent with these Rules;
- (b) settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Shares and the determination of the Directors is to be conclusive and binding on all Participants and other persons to whom the determination relates; and
- (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

11. Participants to be bound

Participants are at all times bound by the Rules of the Plan as modified from time to time.

12. Cost to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Ordinary Shares allotted under the Plan. However the Company does not assume liability for any taxes or other imposts assessed against or imposed on a Participant.

13. Notices

All communications by the Company to Eligible Members or Participants under these Rules shall be given in accordance with the notice provisions of the Constitution.



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