

WILLMOTT FORESTS LIMITED
("the Company")

AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Objectives

- Foster an ethical and compliance culture throughout the Company – top down;
- Improve, where practicable, the quality of the accounts of the Company and the accounting related procedures of the Company;
- Improve the quality of the internal and external reporting of financial and non-financial information;
- Protect the position of the directors of the Company in the context of its accounts;
- Reinforce the independence of the Company's auditor;
- Ensure the Company's adherence to applicable laws and standards;
- Minimise the risk of fraud;
- Seek efficiency of accounting systems and processes ;
- Assess significant financial estimates and judgements on accounting matters; and
- Ensure that the Company maintains effective internal control and risk management systems.

Responsibilities

- Monitor the Company's framework and processes for compliance with all statutory requirements (other than those monitored by the Compliance Committee), the Australian Accounting Standards, the ASX Corporate Governance Guidelines and the Company's Code of Conduct;
- Monitor the Company's financial reporting and accounting and business policies and practices;
- Monitor the Company's internal controls and accounting systems and risk management systems;
- Review the Company's financial reports to regulators, shareholders, and bankers;
- Monitor the scope and quality of the external audit and the terms of the external auditor's engagement and the level of the external auditor's remuneration;
- With the external auditor, review the extent of his audit;
- Monitor the independence of the Company's external auditor;
- Review related-party transactions;
- Oversee the prevention, detection and investigation of fraud and other irregularities;
- Monitor and examine any significant and unusual transactions and potentially sensitive issues (e.g. provisions and doubtful debts);

- Liaise with the C.F.O. concerning the Company's insurance cover;
- Ensure that effective risk management strategies and policies are in place;
- Review risk management guidelines, policies and procedures;
- Review the adequacy of the Company's risk management framework;
- Report significant risk exposures and serious incidents of non-compliance to management; and
- Ensure that appropriate resources are directed towards areas of high risk.

Role & Scope of Activities

Subject to the overriding responsibility of and control by the Board, and the requirement that the Committee, in addition to meeting its responsibilities as set out below, must refer matters of importance to the Board as and when required, the Committee's authority, being delegated by the Board, is unfettered.

The Committee, within the ambit of the responsibilities listed above, may determine the scope of its activities as it sees fit from time to time.

Membership

Number	Three non-executive (3) directors, two (2) of whom, including the Chairman, shall be Independent Directors
Method of Appointment/Replacement	As the Board of the Company shall determine in July annually
Review of independence of Directors	In July annually
Appointment of Chairman	By the Committee annually
Quorum	Any two (2) members of the Committee
Attendance of Executive Officers of the Company	By invitation of the Committee

Secretarial & Support

The Company has resolved to provide the Committee with whatever support is required from time to time.

The Chairman of the Committee shall be responsible for the taking and publishing of the minutes of meetings of the Committee.

Access to Management

The Committee is to have such access to third parties and to management and the staff of the Company as is reasonably required to enable it to discharge its duties. However, the Committees members are to be mindful of the reporting structures and levels of responsibility which exist from time to time within the management structure of the Company and to consult accordingly. In addition the Committee, unless impractical or otherwise not advised, should initially seek information or assistance at the appropriate management level(s).

Access to Auditor

The Committee shall invite the Company's external auditor to attend its meetings and shall otherwise consult with him as and when required and shall arrange for his attendance at the A.G.M. of the Company.

Access to Independent Legal Advice

As is the situation with members of the Board of Directors of the Company generally, members of the Committee have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, with prior approval of the Chairman of the Board.

Meetings

Frequency	Quarterly and otherwise as required
Calling of Meetings	Quarterly by the Chairman and otherwise as determined by any two (2) members of the Committee
Agenda	Any member of the Committee may request the Chairman to list an agenda item and the external auditor is to be invited to contribute to the agenda. The agenda and any briefing papers will be circulated at least 14 days prior to a meeting
Other Matters	<ul style="list-style-type: none">- Management may attend meetings only when invited by the Committee- Minutes of all meetings will be prepared and signed by the Chairman after confirmation

Reporting Requirements

The Committee shall report in writing, by way of minutes of its meetings, to the Board of the Company from time to time in relation to such matters arising from the responsibilities set out in this Charter as are dealt with at such meetings.

Monitoring of Committee's Performance

The Committee's performance shall be reviewed annually by the Board of Directors of the Company.

The review shall be made against the content of this Charter and shall be planned and reported.

This Charter is to be reviewed annually by the Committee and the Board of Directors to ensure it remains relevant to the Company's needs and updated as required.