

**WILLMOTT FORESTS LTD**  
**("the Company")**  
**BOARD POLICY ON DELEGATION OF AUTHORITY**

1. The shareholders of the Company at large delegate extensive authority to the Board of Directors pursuant to article 10 of the Company's Constitution which reads as follows:

**"10.1 Directors to manage Company**

The business of the Company is to be managed by the Directors who may exercise all such powers of the Company as are not, by the Corporations Law or by this Constitution, required to be exercised by the Company in general meeting."

**10.1 Specific powers of Directors**

Without limiting the generality of article 10.1 ("Directors to manage Company"), the Directors may exercise all the powers of the Company to borrow or raise money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for debt, liability or obligation of the Company or of any other person.

**10.3 Appoint of attorney**

The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for the purposes and with powers, authorities and discretions vested in or exercisable by the Directors for such period and subject to such conditions as they think fit.

**10.4 Provisions in power of attorney**

Any power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate (including by way of appointment of a substitute attorney) all or any of the powers, authorities and discretions vested in the attorney.

**10.5. Minutes**

The Directors must cause minutes of meetings to be made and kept in accordance with the Corporations Law.

**10.6. Signing of cheques**

Cheques, promissory notes, bankers' drafts, bills of exchange and other negotiable instruments, and receipts for money paid to the Company, must be signed, drawn, accepted, endorsed or otherwise executed in the manner and by the persons as the Directors determine."

2. Article 11.30 of the Constitution permits the Board to delegate its powers to a Chief Executive Officer (CEO) in the following terms:

**"11.30 Powers of Managing and Executive Directors**

The Directors may:

- (a) confer on a Managing Director or an Executive Director such of the powers exercisable by them, on such terms and conditions and with such restrictions, as they think fit; and

(b) withdraw or vary any of the powers conferred on a Managing Director or an Executive Director.”

3. Pursuant to Article 11.30 the Board confers on the CEO, referred to as the Managing Director in the Constitution, all of the powers conferred on the Board by the Constitution other than any final decision in relation to the raising of new capital, the creation or extension of credit facilities with any financier, the declaration of dividends including interim dividends, the adoption of annual budgets, the acquisition or formation of any new business venture, operating or capital expenditure on any one item above \$500,000, and any powers vested by the Board in one or more of its committees. The Board also expressly delegates to the CEO power to sub-delegate to Senior Executives (including any Deputy CEO) and the Resource, Operating and Commercial Managers any of the powers of the CEO that are consistent with the powers and limits of the Senior Executives and those Managers stated below.
4. Pursuant to the powers conferred on the CEO, the CEO may delegate the following authorities to the Senior Executives of the Company:

#### **Senior Executive – Sales & Marketing**

- To communicate all important marketing and sales information to the other Senior Executives and the Board through the CEO;
- To procure for his Division all resources necessary to carry out its functions within the Annual Budget, including suitable staff;
- To take a leading role in the development of all silvicultural and managed investment scheme products and the associated due diligence process;
- To oversee the servicing of all Growers;
- To establish, expand and maintain an effective distribution network and oversee all communications with dealers, authorised representatives and the investing public;
- In relation to the above purposes to authorise operating expenditure on any one item up to \$50,000 and capital expenditure on any one item up to \$100,000; and
- To report periodically and in a timely manner to the CEO on the foregoing matters.

#### **Senior Executive – Forestry Operations**

- To communicate all important information about forestry operations to the other Senior Executives and the Board through the CEO;
- To procure for his Division all resources necessary to carry out its functions, within the Annual Budget;
- To oversee the planting and maintenance of all plantations of the Company;
- In relation to the above purposes to authorise operating expenditure on any one item up to \$50,000 and capital expenditure on any one item up to \$100,000; and
- To report periodically and in a timely manner to the CEO on the foregoing matters.

## **Deputy CEO**

- To communicate all important information concerning Willmott Timbers Pty Ltd operations to the other Senior Executives and the Board through the CEO;
- To communicate all important information concerning Willmott Energy Pty Ltd operations to the other Senior Executives and the Board through the CEO;
- To communicate all important information concerning Ethanol Technologies Ltd operations to the other Senior Executives and the Board through the CEO;
- To procure for each areas / divisions (including subsidiary entities, group administration and compliance) under the Deputy CEO's control all resources necessary to carry out its functions, within the Annual Budget;
- To oversee the servicing of all Growers;
- In relation to the above purposes to authorise operating expenditure on any one item up to \$50,000 and capital expenditure on any one item up to \$100,000; and
- To report periodically and in a timely manner to the CEO on the foregoing matters.

## **Senior Executive – Chief Financial Officer**

- To communicate all important information concerning the finances of the Group to the other Senior Executives and the Board through the CEO;
- To procure all staff and equipment necessary to carry out his functions, within the Annual Budget;
- To procure the timely preparation of all financial statements and reports required under the Corporations Act 2001, the Listing Rules and the Constitutions of the Growers' Projects;
- To propose to the Board the terms of engagement of the Company's auditors and to respond on behalf of management to matters raised during their audit;
- In relation to the above purposes to authorise operating expenditure on any one item up to \$50,000 and capital expenditure on any one item up to \$100,000; and
- To report periodically and in a timely manner to the CEO on the foregoing matters.