

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR URGENT ATTENTION.**

YOU SHOULD READ ALL OF IT TOGETHER WITH THE GENERAL MEETING BOOKLET SENT TO YOU. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH THESE DOCUMENTS, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL INVESTMENT ADVISOR IMMEDIATELY.

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**SUPPLEMENTARY SCHEME BOOKLET**  
**GREAT SOUTHERN PLANTATIONS 2005 PROJECT**  
**ARSN 112 744 877 ("2005 Scheme")**

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This Supplementary Scheme Booklet is issued by Great Southern Managers Australia Limited ACN 083 825 405 (In Liquidation) (Receivers and Managers Appointed), the responsible entity of the 2005 Scheme (**GSMAL** or **Responsible Entity**).

**Important Notices**

This Supplementary Scheme Booklet contains specific information about the 2005 Scheme and the Notice of Meeting for the 2005 Scheme. You have also received:

- the General Meeting Booklet, which contains information about the Gunns Proposal common to the Schemes (as listed in the Schedule to the Notice of Meeting contained in this Supplementary Scheme Booklet) and being put forward for consideration by the Growers of all Schemes; and
- a Proxy Form for the 2005 Scheme Meeting, which is colour coded to match this Supplementary Scheme Booklet.

The General Meeting Booklet and this Supplementary Scheme Booklet are being sent to each person who was a registered Grower for the 2005 Scheme as at 5.00pm on 20 November 2009. These documents together contain the information that make up the explanatory memorandum for the 2005 Scheme Meeting.

You should read both the General Meeting Booklet and this Supplementary Scheme Booklet in their entirety before making a decision on the Resolutions proposed to be put forward at the 2005 Scheme Meeting.

The 2005 Scheme Meeting is being held at City Recital Hall, 2-12 Angel Place, Sydney, New South Wales on Wednesday, 23 December 2009 at 11.00am AEDST.

The meeting will take place concurrently with the Meetings being held for the other Schemes specified in the Schedule to the Notice of Meeting contained in this Supplementary Scheme Booklet. However, only registered Growers in the 2005 Scheme will vote on the Resolutions for the 2005 Scheme.

**Contents of this Supplementary Scheme Booklet**

- Part A            General Information
- Part B            Notice of Meeting for the 2005 Scheme
- Part C            The Gunns Proposal – Information about the Gunns Proposal including proposed amendments to the 2005 Scheme Constitution and Grower Agreements if the Gunns Proposal is implemented

Unless otherwise defined, terms in this Supplementary Scheme Booklet have the same meaning ascribed to them in the Glossary of the General Meeting Booklet.

**Responsibility for information contained in the Supplementary Scheme Booklet**

The information in Parts A and B of this Supplementary Scheme Booklet has been prepared by GSMAL. Neither GSMAL nor the Receivers and Managers take responsibility for the information contained in any other part of this Supplementary Scheme Booklet.

The information in Part C has been prepared by Gunns. Gunns takes no responsibility for the information contained in any other part of this Supplementary Scheme Booklet.

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**PART A****2005 SCHEME INFORMATION**

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Part B of this Supplementary Scheme Booklet contains the Notice of Meeting for the 2005 Scheme.

Part C of the Supplementary Scheme Booklet sets out the specific amendments that Gunns Plantations proposes to make to the Constitution for the 2005 Scheme (in Section 1) and your Grower Agreement (in Section 2).

The amendments should be read with all information about the 2005 Scheme in all parts of the General Meeting Booklet including, in particular, the information about the proposed amendments that Gunns has prepared and included in Part C Section 7 of the General Meeting Booklet.

Information about the 2005 Scheme includes information that expressly refers to the 2005 Scheme as well as information that applies to all Schemes (unless the information states that it only applies to Schemes that do not include the 2005 Scheme or expressly states that it does not apply to the 2005 Scheme).

You should read all of the amendments in Part C Section 1.

You do not need to read all the amendments in Part C Section 2. You need to read all of the amendments in Part C Section 2A. In Part C Section 2B, you only need to read those amendments that apply to the type of Grower Agreement you have entered into, being either a:

- (i) Lease;
- (ii) Forest Right Agreement; or
- (iii) Forestry Right Lease Agreement.

**PART B****2005 SCHEME NOTICE OF MEETING**

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**NOTICE OF MEETING****GREAT SOUTHERN PLANTATIONS 2005 PROJECT  
ARSN 112 744 877**

Notice is given that a meeting of the members of the 2005 Scheme will be held at:

Time: 11.00am AEDST  
Date: Wednesday, 23 December 2009  
Place: City Recital Hall  
2-12 Angel Place  
SYDNEY NSW 2000

**MEETING**

The meeting for the 2005 Scheme will be held concurrently with meetings of members of each other Scheme listed in the Schedule to this notice of meeting.

The Meeting will be chaired by an independent Chairman.

The business of the meeting includes consideration of the Gunns Proposal in relation to the 2005 Scheme and to other Schemes of which GSMAL is the responsible entity. These other Schemes are listed in the Schedule to this notice of meeting.

It would be practically very difficult to hold consecutive meetings for each Scheme. As such it is proposed that the Meetings for all the Schemes will be held concurrently (that is at the same time and place).

Voting will be conducted separately for each Scheme, on a Scheme-by-Scheme basis.

**AGENDA**

The general nature of the business of the Meeting is for:

- GSMAL to put forward its reasons for wishing to retire as the responsible entity of the 2005 Scheme; and
- Growers in the 2005 Scheme to consider and, if thought fit, pass Resolutions concerning the Gunns Proposal.

The Receivers and Managers consider that the Gunns Proposal warrants consideration by Growers.

## **ORDER OF BUSINESS – RESOLUTIONS FOR THE GUNNS PROPOSAL**

The Gunns Proposal is described in Section C of the General Meeting Booklet and Part C of this Supplementary Scheme Booklet. Growers are asked to consider and, if thought fit, pass the following resolutions for the Gunns Proposal.

### **Resolution 1 – Approval of the Gunns Proposal**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, subject to Resolutions 2, 3 and 4 being passed, the Growers approve the proposal by Gunns Plantations Limited described in Part C of the General Meeting Booklet and Part C of the Supplementary Scheme Booklet accompanying the Notice of Meeting dated 27 November 2009."*

### **Resolution 2 – Amendments to the Constitution to implement the Gunns Proposal**

To consider and, if thought fit, pass the following resolution as a special resolution:

*"That, subject to Resolutions 1, 3 and 4 being passed, the constitution of Great Southern Plantations 2005 Project ARSN 112 744 877 be amended by Gunns Plantations Limited immediately following its appointment as the responsible entity under section 601FJ of the Corporations Act in the manner set out in Part C of the Supplementary Scheme Booklet accompanying this notice of meeting dated 27 November 2009 in accordance with section 601GC(1)(a) of the Corporations Act."*

### **Resolution 3 – Amendments to the Grower Agreements to implement the Gunns Proposal**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"Subject to Resolutions 1, 2 and 4 being passed, that the Growers approve the amendment of the Growers' Agreements in the manner set out in Part C of the Supplementary Scheme Booklet and acknowledge the right of Great Southern Managers Australia Limited (In Liquidation) (Receivers and Managers Appointed) or Gunns Plantations Limited (as the case may be) acting as the responsible entity of Great Southern Plantations 2005 Project ARSN 112 744 877 (the **Scheme**) to make those amendments using the rights of the responsible entity under any powers of attorney granted by Growers in relation to the Scheme, including the powers of attorney granted by Growers pursuant to Resolution 2, and the powers of attorney granted by Growers in their application forms submitted at the time of applying for interests in the Scheme (including as a prescribed interest undertaking prior the Scheme's registration under the Corporations Act)."*

## Resolution 4 – Appointment of New Responsible Entity for the Gunns Proposal

To consider and, if thought fit, pass the following resolution as an extraordinary resolution:

*"That, subject to and conditional upon:*

- (1) *Resolutions 1, 2 and 3 being passed; and*
- (2) *all of the resolutions contained in the Notices of Meeting (dated on or about the date of this notice of meeting) for the:*

*"Great Southern Plantations 1998" ARSN 092 780 204;*

*"Great Southern Plantations 1999" ARSN 092 452 849;*

*"Great Southern Plantations 2000" ARSN 085 669 361;*

*"Great Southern Plantations 2001" ARSN 089 958 029;*

*"Great Southern Plantations 2002" ARSN 095 343 963;*

*"Great Southern Plantations 2003 Scheme" ARSN 099 131 825;*

*"Great Southern Plantations 2004" ARSN 107 811 709; and*

*"Great Southern Plantations 2006 Project" ARSN 112 744 902,*

*(the **Other Projects**) being passed or if all of the resolutions in the Notices of Meeting (dated on or about the date of this notice of meeting) for a majority of the projects (being the Great Southern Plantations 2005 Project ARSN 112 744 877 (the **Scheme**) and the Other Projects) are passed, such number of Other Projects as Gunns Plantations Limited and Great Southern Managers Australia Limited (In Liquidation) (Receivers and Managers Appointed) (**GSMAL**) may agree and advise (including by notice on Gunns Plantations Limited's or GSMAL's website) no later than 10 Business Days after the day of the Meeting,*

*Gunns Plantations Limited be appointed the responsible entity of the Scheme on the retirement of GSMAL in accordance with section 601FL of the Corporations Act and GSMAL is released from all liabilities and further obligations in relation to the Scheme."*

Growers who require copies of the Notices of Meeting for the Other Projects should note that details will be posted on the Great Southern website at: [www.great-southern.com.au](http://www.great-southern.com.au).

### RECOMMENDATION

The Receivers and Managers have recommended the Gunns Proposal in the absence of a superior proposal (see the Receivers and Managers' recommendation in the cover letter to the General Meeting Booklet).

Your vote is important. GSMAL encourages Growers to cast their votes on the Resolutions.

GSMAL recommends that Growers carefully consider the information included in this notice of meeting, the General Meeting Booklet and each Supplementary Scheme Booklet, and if necessary obtain professional advice, before exercising their right to vote.

Should insufficient votes be cast by Growers on Resolution 4, which requires at least one half of the dollar value of all Woodlots on issue in the Scheme, then the Gunns Proposal will not be passed.

## **INTERDEPENDENCY OF RESOLUTIONS**

Each of resolutions 1, 2, 3 and 4 will only be passed and can only take effect if:

- all resolutions for the Gunns Proposal are passed by Growers in the 2005 Scheme; and
- all resolutions for the Gunns Proposal are passed by Growers in each of the other Schemes listed in the Schedule to this Notice of Meeting.

Moreover, the Responsible Entity and Gunns Plantations may agree to waive the requirement for approval of every Scheme to be obtained if a substantial majority of Schemes have approved the Gunns Proposal and the Gunns Proposal remains feasible for both Gunns and the Great Southern Group from a commercial and legal perspective.

Further information in relation to the interdependency of resolutions is set out in the General Meeting Booklet Part A.

## **TIME FOR DETERMINING GROWER'S ENTITLEMENT TO VOTE**

Growers on the Register at 11.00am on Monday, 21 December 2009 are entitled to vote.

## **MEETING QUORUM/ELIGIBILITY TO VOTE**

The quorum for the Meeting is two Growers.

On a show of hands, each Grower has one vote. On a poll, each Grower has one vote for each dollar of the value of the total interest they have in the Scheme.

All Resolutions will be voted on as a poll.

Special and extraordinary resolutions must be decided on a poll. Any other resolutions put to the vote at a meeting of the Growers must be decided on a show of hands unless a poll is demanded in accordance with the Corporations Act. The independent Chairman will demand that voting on the ordinary resolutions is conducted by poll.

The value of a Grower's interest in the Scheme will be determined by GSMAL in accordance with the requirements of section 253F of the Corporations Act. Each Grower will be given one vote for each dollar in value of their interests in the Scheme based on the value of their Woodlots. Woodlots are areas of land in the Plantations of the Schemes leased by a Grower from GSMAL.

Following the insolvency of GSMAL, some head leases in respect of the land on which Woodlots are situated, have been terminated by the landlord (**head lessor**) where a default has occurred, for example non payment of rental. In the case of some other leases in respect of land on which Woodlots are situated rent has not been paid and the lease is terminable by the head lessor.

Woodlots may be attributed different values for the purposes of the voting, where affected by these circumstances. GSMAL intends, prior to the date of the Meeting, to seek the directions of the court in relation to the value of Woodlots for the purposes of section 253F of the Corporations Act.

Growers may call the Grower Hotline on 1800 258 348 or review the Great Southern investor relations website (<https://investors.great-southern.com.au>) for further information regarding the status of the leases for Woodlots registered in their name.

There is some uncertainty as to whether certain individuals are members of the 2005 Scheme by reason of allegations made in correspondence with the Great Southern Group. Their votes will be counted separately, and if their status as members is important for determining whether a Resolution is passed, directions will be sought before declaring the outcome of the poll. Additional information is included in Part A of the General Meeting Booklet at section 6.10.

### **VOTING RESTRICTIONS**

In accordance with section 253E of the Corporations Act, the Responsible Entity and its associates (as defined in the Corporations Act) are not entitled to vote their interests on a resolution at the Meeting if they have an interest in the resolution or matter other than as a member.

Information is included in the General Meeting Booklet regarding the interests held by the Responsible Entity and its associates in the Scheme.

GSMAL will not vote any interests held by it. Prior to the Meeting, GSMAL will seek court directions to confirm GSPH and GSF's entitlement to vote in respect of the Resolutions.

Notwithstanding section 253E of the Corporations Act, GSMAL and its associates may vote as proxy for a person who is entitled to vote provided they vote in accordance with directions given on the proxy form.

A challenge to a right to vote may only be made at the Meeting and must be determined by the Chairman whose decision is final.

### **VOTING IN PERSON OR BY REPRESENTATIVE**

Corporations that are Growers, eligible to vote on the Resolutions and who wish to attend and vote at the Meeting, must appoint an individual as a representative who must bring with them the original document properly authorising their appointment under section 253B of the Corporations Act.

A corporate representative appointment form can be obtained from Computershare by calling 1300 850 505 within Australia and +61 3 9415 4000 outside Australia.

If you have appointed an attorney, that attorney must provide sufficient evidence of its appointment to vote on your behalf.

If you plan to vote in person or, in the case of a corporation, by representative, please arrive **at least** 60 minutes before the starting time so that we can register your attendance, confirm any appointment as representative, check the number and value of votes you are entitled to and issue you with voting papers.

Please bring your (unused) Proxy Form(s) with you to assist in the registration process.

**VOTING BY PROXY**

If you are unable to attend the Meeting, you are encouraged to complete and return the enclosed colour-coded Proxy Form in accordance with the instructions on that form.

If you are a member of more than one Scheme and you wish to vote by proxy in relation to each Scheme, you should complete *each* Proxy Form.

In accordance with sections 252J(d) and 252V of the Corporations Act, Growers are advised that:

- each Grower of the 2005 Scheme who is entitled to attend and cast a vote has a right to appoint a proxy to attend and vote for the Grower at the Meeting;
- if a Grower is entitled to cast two or more votes, that Grower may appoint one or two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportions or number is not specified, each proxy may exercise half of the votes (provided that any fractions of votes that result will be disregarded); and
- a proxy need not be a registered Grower of the 2005 Scheme.

In accordance with section 252Z of the Corporations Act, for an appointment of a proxy to be valid, the completed and signed Proxy Form (and if signed by attorney, the authority under which the appointment was signed or a certified copy of the authority) must be received:

- by scanned PDF file format attached to an email sent to [greatsouthern@computershare.com.au](mailto:greatsouthern@computershare.com.au);
- by post to Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001 Australia;
- by facsimile at facsimile number: 1800 783 447 within Australia and +61 3 9473 2555 outside Australia; or
- in person at Computershare Investor Services Pty Ltd, 452 Johnston Street, Abbotsford, Victoria;

no later than 11.00 am AEDST on Monday, 21 December 2009.

**AMENDMENT TO GUNNS PROPOSAL**

Members should be aware that it is possible that Gunns may amend the Gunns Proposal after the date of this notice of meeting.

If GSMAL receives notice of any changes to the Gunns Proposal, details will be posted on the Great Southern website at: [www.great-southern.com.au](http://www.great-southern.com.au).

Growers are strongly encouraged to check the website regularly for any updates.

Those Growers that lodge Proxy Forms but later wish to revoke or amend their proxy appointment (in light of amendments to the Gunns Proposal or for any other reason) may do so by submitting another Proxy Form (further copies can be obtained by calling the Grower Hotline 1800 258 348 within Australia and +61 8 9320 9700 outside Australia).

Proxies cannot be amended after the proxy cut-off time which is 11.00 am AEDST on Monday, 21 December 2009.

Dated 27 November 2009

By order of Great Southern Managers Australia Limited  
(In Liquidation) (Receivers and Managers Appointed)

A handwritten signature in black ink, appearing to read 'T McGrath', with a stylized flourish at the end.

Tony McGrath  
Receiver and Manager

**SCHEDULE**

**LIST OF ALL SCHEMES IN RELATION TO WHICH THE GUNNS PROPOSAL APPLIES**

Great Southern Plantations 1998 (ARSN 092 780 204)  
Great Southern Plantations 1999 (ARSN 092 452 849)  
Great Southern Plantations 2000 (ARSN 085 669 361)  
Great Southern Plantations 2001 (ARSN 089 958 029)  
Great Southern Plantations 2002 (ARSN 095 343 963)  
Great Southern Plantations 2003 Scheme (ARSN 099 131 825)  
Great Southern Plantations 2004 (ARSN 107 811 709)  
Great Southern Plantations 2005 Project (ARSN 112 744 877)  
Great Southern Plantations 2006 Project (ARSN 112 744 902)

**SCHEMES WHICH ARE HOLDING CONCURRENT MEETINGS**

Each of the Schemes listed above other than the 2005 Scheme.

## PART C – GUNNS PROPOSAL

### Section 1: Changes to the Constitution

The full text of the changes to the Constitution under Resolution 2 are set out in this Section 1.

In this Section, the definitions referred to in clause 1 below have been used. Other terms which are capitalised refer to terms which already have a defined meaning in the Constitution or Grower Agreements. These defined terms are not contained in the Glossary to the General Meeting Booklet.

#### 1. Definitions

The definition of “Power of Attorney” is deleted and replaced with the following new definition of “Power of Attorney”:

“**Power of Attorney** means any power of attorney granted by the Applicant or Grower in favour of the Responsible Entity, including:

(i) any existing power of attorney granted by each Applicant and Grower to the Responsible Entity or a former responsible entity;

(ii) any power of attorney granted by each assignee or successor of an Applicant or Grower; and

(iii) the power of attorney contained or to be contained in clause 13 of the Constitution.”

#### 2. Grower's appointment of Attorney

Amend clause 13.2 of the Constitution by deleting clause 13.2 and replacing it with the following:

##### “13.2. Powers

(a) The Responsible Entity has:

(1) all the powers of a natural person and all powers that are reasonably necessary for it to carry out its functions and duties under this Constitution including the power to fetter future discretions, such as by the granting of options; and

(2) irrevocable power as the agent, representative and attorney of the Grower and, whether in the name of the Grower or the Responsible Entity, to:

(i) amend an Agreement including in the manner provided in Part C, Section 2 of the Supplementary Scheme Booklet dated 27 November 2009; and

(ii) take any action (including Court action) necessary or desirable to protect or preserve the Grower's right to use, occupy or access land to grow their trees under the Project, should that right be threatened, challenged or compromised, or otherwise if thought fit by the Responsible Entity.

- (b) Each Grower, subject to paragraph (c), to the maximum extent permitted by law irrevocably appoints the Responsible Entity from time to time, and each Director and Company Secretary of the Responsible Entity to be the agent and attorney of the Grower, in the Grower's name, on the Grower's behalf and as the Grower's act and deed, to exercise the powers and do any thing and take any action set out in Schedule 10 to this Constitution on the terms set out below and in that Schedule.
- (c) The Responsible Entity from time to time, may recover all costs properly incurred in exercising its powers under paragraphs 13.2(a)(2) or 13.2(b) (including, without limitation, all legal and litigation costs and costs associated with the preparation of any reports for the purposes of taking the action) from the Net Proceeds of Sale (as defined in an Agreement). The Responsible Entity's right of indemnity under this clause applies only in relation to the proper performance of its duties.
- (d) The Grower undertakes to ratify all that the attorney lawfully does or causes to be done under paragraphs 13.2(a)(2) or 13.2(b).
- (e) The powers granted by paragraphs 13.2(a)(2) and 13.2(b) are without prejudice to any power of attorney given to Great Southern Managers Australia Limited ACN 083 825 405 (In Liquidation) (Receivers and Managers Appointed) by a Grower upon submitting an application for interests in the Project or upon becoming a Grower as an assignee or member by succession (**Original Power**) and the acts and things which the Responsible Entity may do and take under the powers granted in paragraphs 13.2(a)(2) and 13.2(b) are in addition to the acts and things which the Responsible Entity from time to time is empowered to do or take pursuant to the Original Power.
- (f) The Grower acknowledges and agrees that the Original Power is a right of the Responsible Entity in relation to the Project for the purposes of section 601FS(1) of the Corporations Act.

- (g) Each Grower acknowledges that where an Original Power continues in effect, the Responsible Entity may act under either or both the Original Power and the powers granted by paragraphs 13.2(a)(2) or 13.2(b), including in amending an Agreement in the manner provided in Part C, Section 2 of the Supplementary Scheme Booklet dated 27 November 2009.”

Insert the following as new Schedule 10 to the Constitution:

**Power of Attorney**

1. The Responsible Entity from time to time and each Director and Company Secretary of the Responsible Entity is appointed by each Grower jointly and severally to be attorney for the Grower, in the Grower’s name, on the Grower’s behalf and as the Grower’s act and deed on the terms specified below and in clause 13.2(b) and to do the following things and take the following actions:

(a) to vary an Agreement in the manner provided in Part C, Section 2 of the Supplementary Scheme Booklet and to make, execute and deliver and submit for registration all deeds, agreements and other instruments as to the attorney seem necessary or desirable for making such variations;

(b) to vary the provisions of an Agreement from time to time, provided that the variation:

(i) in the opinion of the Responsible Entity is not likely to be to the detriment of the Grower’s interests in the Agreement;

(ii) will in the opinion of the attorney enable the Agreement to be better administered and managed in the interests of the Project;

(iii) is in the opinion of the Responsible Entity required as a matter of continuing compliance with relevant statutory requirements;

(iv) is in the opinion of the Responsible Entity required to correct a factual error in the documents; or

(v) is agreed between the Grower and the Responsible Entity;

(c) to take any action (including Court action) necessary or desirable to protect or preserve the Grower’s right to use, occupy or access land to grow their trees under the Project, should that right be threatened, challenged or compromised, or otherwise if thought fit by the Responsible Entity;

(d) to enter into and execute on the Grower’s behalf, an agreement to sell the timber produce on such terms as the Responsible Entity considers appropriate, which agreement will be ineffective if the Grower elects on or before 6 years from the commencement date to take their own produce;

(e) to date the agreement to sell and complete the blank spaces in the schedule to that agreement;

(f) to make and initial necessary alterations to the agreement to sell which are not prejudicial to the Grower's interests in the considered opinion of the attorney;

(g) to make, do and sign all such acts, deeds and things as may be necessary to procure the stamping of the agreement to sell with power to instruct the attorney's solicitors to assist them in this regard;

(h) to vary the provision of the agreement to sell the timber produce provided that the variation:

- will, in the opinion of the attorney, enable the agreement to sell to be better administered and managed in the interests of the Project;
- is, in the opinion of the Responsible Entity, required as a matter of continuing compliance with relevant statutory requirements;
- is, in the opinion of the Responsible Entity, required to correct a factual error in the documents; or
- is agreed between the Grower and the Responsible Entity.

2. In the case of any variation to be effected to an Agreement which, in the opinion of the Responsible Entity, may adversely affect the Grower's interests, such variation may only be effected if it has been approved by an ordinary resolution at a formal meeting of Growers of the Project.

3. If the Woodlot is in Western Australia, the land the subject of the Woodlot will be land registered under the Transfer of Land Act 1893.

4. Any person, including the Registrar of Titles of Western Australia, or any other registration authority in Australia or elsewhere, dealing with the attorney or a person purporting to be an attorney under this power is entitled to rely on the execution of any document by that person as conclusive evidence that:

- (i) the person holds the office set out in the power;
- (ii) the power of attorney has come into effect;
- (iii) the power of attorney has not been revoked;
- (iv) the right or power being exercised or being purported to be exercised is properly exercised and that the circumstances have arisen to authorise the exercise of that right and power; and
- (v) they are not required to make any enquires in respect of any of the above matters.

### 3. Remuneration of the Responsible Entity

Amend clause 27 of the Constitution by inserting the following clause numbering and heading immediately above the existing paragraph 27(a):

**“27.1 Remuneration”**

Amend clause 27 of the Constitution by inserting the following clause immediately below the existing paragraph 27(c):

**“27.2 Additional Fee**

- (a) On and from the date on which Gunns Plantations Limited ABN 36 091 232 209 becomes responsible entity for the Project, Gunns Plantations Limited, as Responsible Entity, is entitled to receive, in addition to the fees set out or referred to in clauses 27.1 and 27.3, a separate fee in further consideration of the performance of the Services (as defined in the Agreement) from the date of its appointment, equal to 44.50% of the Net Proceeds of Sale (as defined in the Agreement) plus GST (“Additional Fee”), with its entitlement to each proportion of the Additional Fee arising and accruing in the following manner:
- (1) on the date on which Gunns Plantations Limited is appointed as the responsible entity for the Project and that appointment is recorded by ASIC, an amount equal to 50% of the Additional Fee; and
  - (2) on the date on which the Responsible Entity commences harvesting of the forest produce (as defined in the Agreement), an amount equal to 50% of the Additional Fee,
- where Net Proceeds of Sale may be an amount calculated or determined in the future and each instalment of the Additional Fee is only payable at the time the Net Proceeds of Sale (as defined in the Agreement) are actually received and must be paid from the Net Proceeds of Sale.
- (b) In relation to each Electing Grower (as defined in the Agreement), the Responsible Entity will be paid the Additional Fee by the Electing Grower at the time it collects its Collectable Produce (as defined in the Agreement).
- (c) To the extent of any inconsistency or repetition between this clause 27.2 and any clause of the Agreement which would result in the obligation to pay the Additional Fee under the Agreement when it has already been paid under this Constitution, this clause 27.2 applies or prevails to the absolute exclusion of the relevant clause of the Agreement.
- (d) The rights of the Responsible Entity to receive the remuneration specified in paragraphs (a) and (b) are only available in relation to the proper performance of the Responsible Entity’s duties.”

#### 4. **Remuneration of the Responsible Entity out of Grower's Insurance Proceeds**

Amend clause 27 of the Constitution by inserting the following as a new clause 27.3 in the Constitution:

**“27.3 Additional Remuneration from Grower's Insurance Proceeds**

- (a) On and from the date on which Gunns Plantations Limited ABN 36 091 232 209 becomes responsible entity for the Project, Gunns Plantations Limited, as Responsible Entity, is entitled to receive, in addition to the fees set out in clauses 27.1 and 27.2, a separate fee equal to the amount of 44.50% of the Grower's Insurance Proceeds (as defined in the Agreement) plus GST with the fee accruing and becoming payable from the Grower's Insurance Proceeds at the time the Grower's Insurance Proceeds are actually received by the Responsible Entity on behalf of the Grower.
- (b) To the extent of any inconsistency or repetition between this clause 27.3 and any clause of the Agreement which would result in the obligation to pay the additional remuneration in this clause 27.3 under the Agreement when it has already been paid under this Constitution, this clause 27.3 applies or prevails to the absolute exclusion of the relevant clause of the Agreement.
- (c) The right of the Responsible Entity to receive the remuneration specified in paragraph (a) is only available in relation to the proper performance of the Responsible Entity's duties.”

#### 5. **Harvesting of a Grower's Forest Produce**

Amend the heading to clause 31 of the Constitution by deleting the words “Collections and payments” and inserting the words “Collections, payments and harvesting”.

Amend clause 31 of the Constitution by inserting the following as a new clause 31.4:

**“31.4 Harvesting of a Grower's Forest Produce**

- (a) Harvesting of a Grower's Forest Produce (as defined in the Agreement) will occur at the time the Responsible Entity determines, having regard to the maturity of the Forest Produce, the requirements under any contracts for the sale of the Forest Produce and port capacity, any logistical constraints and the market for forest produce generally, and, in any event, not later than 13 years and 6 months from the Commencement Date (as defined in the Agreement), unless the Responsible Entity reasonably believes that it would be in the best interest of Growers for the harvesting to be deferred to a later date.
- (b) To the extent of any inconsistency between this clause and an Agreement, this clause prevails.

## 6. **Electronic Communications to Growers**

Amend clause 42.1 of the Constitution by inserting the following paragraph at the end of that clause:

“The Responsible Entity may send or deliver any document required to be sent or delivered to a Grower (or Growers as a whole) under this Constitution (including, for the avoidance of doubt the Forester’s Report under clause 19), other than a document where the process or method for sending that document is regulated by the Corporations Act by:

- (a) sending it:
  - (i) by fax to the fax number; or
  - (ii) by other electronic means (including providing a URL link to any document or attachment) to an electronic address, that the Grower has supplied to the company for giving notices; or
- (b) making that document available on the website of the Responsible Entity instead, commencing on the date the document is, apart from this clause, required to be sent or delivered to a Grower and ending no earlier than 12 months later.”

## 7. **Responsible Entity Entitled to Deduct any costs in posting documents to Growers from the Proceeds Fund**

Amend clause 31.2 of the Constitution by removing the word “and” at the end of paragraph (b).

Amend clause 31.2 by removing “.” at the end of paragraph (c) and replacing that with “; and”

Amend clause 31.2 by inserting the following clause as a new clause 31.2(d):

- “(d) all costs and expenses properly paid or incurred by the Responsible Entity in posting and mailing any document to Growers as a whole (or substantially all the Growers) which is required under the Corporations Act or under this Constitution including without limitation notices, reports, cheques, accounts, distribution statements and taxation information. The Responsible Entity’s right of indemnity under this clause only applies in relation to the proper performance of its duties.”

## 8. Responsible Entity indemnity

Amend clause 39(a) of the Constitution by adding after the words “clause 31.2” the words:

“and notwithstanding clause 31.3 any costs or liabilities incurred by the Responsible Entity in performing its duties and acting in accordance with this Constitution and the Agreements (including, without limitation, any liabilities incurred by a prior responsible entity which are assumed by the Responsible Entity or for which it becomes responsible, all legal and litigation costs incurred in dealing with any legal action that relates to the Project including relating to the actions of any prior responsible entity) and, where the Responsible Entity is Gunns Plantations Limited ABN 36 091 232 209, all amounts incurred or earned by the Receivers and Managers of Great Southern Managers Australia Limited ACN 083 825 405 (In Liquidation) (Receivers and Managers Appointed) (**Receivers and Managers**) in respect of which they were entitled, pursuant to a Court order or otherwise, to be indemnified from Project property (and had a lien in respect of), which right and lien Gunns Plantations Limited acquired from the Receivers and Managers. Where the Responsible Entity is entitled to recover any amount pursuant to this clause and the total amount relates to more than one scheme for which the Responsible Entity is the responsible entity, the Responsible Entity may apportion the amount between the Project and other schemes in such manner as the Responsible Entity considers in its absolute discretion to be fair and appropriate in the circumstances. For the avoidance of doubt Growers are not personally liable to the Responsible Entity for the indemnity contained in this clause 39(a). All amounts recoverable under this clause 39(a) are to be deducted from the Net Proceeds of Sale (as defined in the Agreement).”

**9. Growers vote to sell Plantation and/or forest produce and fees on Sale**

Insert the following as a new clause 44 in the Constitution:

**“44. Growers vote to sell Plantation and/or forest produce and fees on Sale**

(a) If the Responsible Entity considers that it is in the best interest of the Growers to sell the Plantations and/or forest produce (as defined in the Agreement) at any time prior to harvest, the Responsible Entity must obtain the approval of Growers by way of a resolution requesting the Responsible Entity to exercise the power to sell the Plantations and/or forest produce (as defined in the Agreement) and wind up the Project passed by at least 75% of the votes cast by Growers entitled to vote on the resolution.

(b) If the resolution is passed, all Growers will be deemed to be Non-Electing Growers (as defined in the Agreement) and the resolution will override any election by a Grower to be an Electing Grower (as defined in the Agreement) under clause 8.1 of a Land and Management Agreement.

(c) If the resolution is passed, the Responsible Entity will be entitled to be paid a fee in the amount equal to:

- (i) 25.00% (if the sale occurs in 2010);
- (ii) 30.00% (if the sale occurs in 2011);
- (iii) 35.00% (if the sale occurs in 2012);
- (iv) 40.00% (if the sale occurs in 2013); or
- (v) 45.00% (if the sale occurs in 2014 or later),

of the total sale proceeds (plus GST) for each Project for performing its services as Responsible Entity up to and including the sale of the Plantations and/or forest produce (as defined in the Agreement) and in giving effect to the sale. Such fee may be deducted from the sale proceeds. The Responsible Entity will not be entitled to be paid any fee pursuant to clauses 27.2 or 27.3 to the extent a fee is payable under this clause 44 but any other cost, expense or entitlement which under this Constitution, the Agreements or otherwise is to be deducted from Net Proceeds of Sale (as defined in the Agreement) may be deducted from proceeds arising from a sale under this clause 44.

(d) The Responsible Entity’s right to receive the remuneration specified in paragraph (c) is only available in relation to the proper performance of the Responsible Entity’s duties.”

## 10. **Growers' acknowledgements**

Insert the following as new clause 45 in the Constitution:

### **"45. Growers' acknowledgements**

(a) Notwithstanding any representations or statements which the Responsible Entity or other person may have made prior to the adoption of this provision in this Constitution or any agreement, arrangement or understanding, neither Gunns Plantations Limited ABN 36 091 232 209 nor any other person is under any obligation to:

- (1) acquire or hold any additional forest produce or hardwood plantations (collectively **Additional Hardwood Plantations**) for the benefit of the Growers, contribute Additional Hardwood Plantations to any pool which may be created in respect of the Project or subsidise any sales revenues which might be generated from the sale of Additional Hardwood Plantations derived from the Project, including for the purposes of enhancing the productivity of the Project save for any Additional Hardwood Plantations acquired by Great Southern Managers Australia Limited (or any members of the Great Southern Group) for this purpose and transferred to Gunns Plantations Limited pursuant to section 601FS of the Corporations Act and then only to the extent that Gunns in its absolute discretion acting reasonably and fairly allocates such Additional Hardwood Plantations for the benefit specifically of the Project; or
- (2) make any offer to, or accept any application from, a Grower upon the harvesting of Forest Produce (as defined in the Agreement) to participate in any further coppice programme or other plantation or forestry opportunity and each Grower foregoes any right to participate in any further coppice programme or other plantation or forestry opportunity.

(b) To the extent of any inconsistency between this clause and an Agreement, this clause prevails."

## **Section 2: Changes to Agreements**

The full text of the proposed changes to the Agreements are set out in this Section 2.

### **A. Changes to the Land and Management Agreement**

#### *Changes to the Land and Management Agreement*

##### **1. Harvesting of a Grower's Forest Produce**

Clause 7.1 of the Land and Management Agreement is deleted and the following is inserted as new clause 7.1:

“7.1 Harvesting of a Grower's Forest Produce will occur at the time the Responsible Entity determines, having regard to the maturity of the Forest Produce, the requirements under any contracts for the sale of the Forest Produce and port capacity, any logistical constraints and the market for forest produce generally, and, in any event, not later than 13 years and 6 months from the Commencement Date, unless the Responsible Entity reasonably believes that it would be in the best interest of Growers for the harvesting to be deferred to a later date. To the extent of any inconsistency between this clause 7.1 and the Constitution, (including clause 31.4 of the Constitution entitled “Harvesting of a Grower's Forest Produce”) or the invalidity of this clause 7.1, the Constitution prevails.”

##### **2. Remuneration of the Responsible Entity**

Amend clause 13 of the Land and Management Agreement by inserting the following as a new clause 13.3, clause 13.4, clause 13.5 and clause 13.6:

“13.3 On and from the date on which Gunns Plantations Limited ABN 36 091 232 209 becomes the responsible entity of the Project, Gunns Plantations Limited, as Responsible Entity, is entitled to receive, in addition to the fees set out in clause 13.1, a separate fee in further consideration of the performance of the Services from the date of its appointment, equal to 44.50% of the Net Proceeds of Sale plus GST (“Additional Fee”), with its entitlement to each proportion of the Additional Fee arising and accruing in the following manner:

- (a) on the date on which Gunns Plantations Limited becomes the responsible entity for the Project, an amount equal to 50% of the Additional Fee; and
- (b) on the date on which the Responsible Entity commences harvesting of the forest produce, an amount equal to 50% of the Additional Fee, where Net Proceeds of Sale may be an amount calculated or determined in the future and each instalment of the Additional Fee is only payable at the time Net Proceeds of Sale are actually received, and must be paid from the Net Proceeds of Sale.

- 13.4 In relation to each Electing Grower, the Responsible Entity will be paid the Additional Fee by the Electing Grower at the time it collects its Collectable Produce.
- 13.5 To the extent of any inconsistency or repetition between clause 13.3, 13.4 and 13.6 and the Constitution (including clause 27.2 of the Constitution) or the invalidity of clause 13.3, clause 13.4 and clause 13.6 the Constitution prevails.
- 13.6 The rights of the Responsible Entity to receive the remuneration specified in clause 13.3 and clause 13.4 are only available in relation to the proper performance of the Responsible Entity's duties."

### **3. Appointment of new Responsible Entity**

Amend clause 15.2 of the Land and Management Agreement to add the following words after the word "Constitution" at the end of the first sentence "and the retiring Responsible Entity is released from all obligations under this Deed and the Constitution after the date of appointment of the new Responsible Entity".

Amend clause 15.3 of the Land and Management Agreement by removing the words "clause 13.1" and replacing them with the words "clause 13".

### **4. Growers vote to sell Plantation and/or forest produce and fees on Sale**

Insert the following as a new clause 30 in the Land and Management Agreement:

#### **"30. Growers vote to sell Plantation and/or forest produce and fees on Sale**

"(a) If the Responsible Entity considers that it is in the best interest of the Growers to sell the Plantations and/or forest produce at any time prior to harvest, the Responsible Entity must obtain the approval of Growers by way of a resolution requesting the Responsible Entity to exercise the power to sell the Plantations and/or forest produce and wind up the Project passed by at least 75% of the votes cast by Growers entitled to vote on the resolution.

(b) If the resolution is passed, all Growers will be deemed to be Non-Electing Growers and the resolution will override any election by a Grower to be an Electing Grower under clause 8.1.

(c) If the resolution is passed, the Responsible Entity will be entitled to be paid a fee in the amount equal to:

- (i) 25.00% (if the sale occurs in 2010);
- (ii) 30.00% (if the sale occurs in 2011);
- (iii) 35.00% (if the sale occurs in 2012);
- (iv) 40.00% (if the sale occurs in 2013); or
- (v) 45.00% (if the sale occurs in 2014 or later),

of the total sale proceeds (plus GST) for each Project for performing its services as Responsible Entity up to and including the sale of the Plantations and/or forest produce and in giving effect to the sale. Such fee may be deducted from the sale

proceeds. The Responsible Entity will not be entitled to be paid any fee pursuant to clause 13 to the extent a fee is payable under this clause 30 but any other cost, expense or entitlement which under the Constitution, this Document or otherwise is to be deducted from Net Proceeds of Sale may be deducted from proceeds arising from a sale under this clause 30. The Responsible Entity is not entitled to be paid a fee under both this clause 30 and clause 44 of the Constitution.

(d) The Responsible Entity's right to receive the remuneration specified in paragraph (c) is only available in relation to the proper performance of the Responsible Entity's duties."

## 5. Option for second rotation / contribution to pools

Insert the following as a new clause 31 in the Land and Management Agreement:

### **"31. Growers' Acknowledgements**

Notwithstanding any representations or statements which the Responsible Entity or other person may have made prior to the inclusion of this provision in this Document or any agreement, arrangement or understanding, neither Gunns Plantations Limited ABN 36 091 232 209 nor any other person is under any obligation to:

- (a) acquire or hold any Additional Hardwood Plantations (as defined in clause 45 of the Constitution) for the benefit of the Growers, contribute Additional Hardwood Plantations to any pool which may be created in respect of the Project or subsidise any sales revenues which might be generated from the sale of Additional Hardwood Plantations derived from the Project, including for the purposes of enhancing the productivity of the Project save for any Additional Hardwood Plantations acquired by Great Southern Managers Australia Limited (or any members of the Great Southern Group) for this purpose and transferred to Gunns Plantations Limited pursuant to section 601FS of the Corporations Act and then only to the extent that Gunns in its absolute discretion acting reasonably and fairly allocates such Additional Hardwood Plantations for the benefit specifically of the Project; or
- (b) make any offer to, or accept any application from, a Grower upon the harvesting of Forest Produce to participate in any further coppice programme or other plantation or forestry opportunity or extend this Document for that purpose and each Grower forgoes any right to participate in any further coppice programme or other plantation or forestry opportunity."

**B. Changes to the Lease, Forest Right Agreement or Forestry Right Lease Agreement that accompanies the Land and Management Agreement**

*Changes to the Lease*

Amend clause 3 of the Lease by inserting the following at the end of clause 3.1:

“The Responsible Entity may, at its absolute discretion, determine the amount by which the rent payable on behalf of the Grower out of Net Proceeds of Sale might be reduced having regard to any reduction in rental of land used for the purposes of the Project.”

Amend clause 12.6 of the Lease by inserting the following at the end of clause 12.6:

“The Responsible Entity may, at its absolute discretion, determine the amount by which the rent payable on behalf of the Grower out of the Grower’s Insurance Proceeds might be reduced, having regard to any reduction in rental of land used for the purpose of the Project.”

Amend clause 12 of the Lease by inserting the following as a new clause 12.10 of the Lease:

“12.10 In addition to the rights set out in clause 12.6, the Responsible Entity will, from the Grower’s Insurance Proceeds received by it on behalf of the Grower retain an additional amount equal to 44.50% of the Grower’s Insurance Proceeds plus GST, and will hold the balance of the Grower’s Insurance Proceeds in the Proceeds Fund on trust for the Grower on the terms set out in the Constitution. To the extent of any inconsistency or repetition between this clause 12.10 and the Constitution (including clause 27.3 of the Constitution) or the invalidity of this clause 12.10, the Constitution prevails. The rights of the Responsible Entity to receive the remuneration specified in this clause 12.10 are only available in relation to the proper performance of the Responsible Entity’s duties.”

***Changes to the Forest Right Agreement***

Amend clause 3 of the Forest Right Agreement by inserting the following at the end of clause 3.1:

“The Responsible Entity may, at its absolute discretion, determine the amount by which the Fee payable on behalf of the Grower out of Net Proceeds of Sale might be reduced having regard to any reduction in rental of land used for the purposes of the Project.”

Amend clause 12.6 of the Forest Right Agreement by inserting the following at the end of clause 12.6:

“The Responsible Entity may, at its absolute discretion, determine the amount by which the fee payable on behalf of the Grower out of the Grower’s Insurance Proceeds might be reduced, having regard to any reduction in rental of land used for the purpose of the Project.”

Amend clause 12 of the Forest Right Agreement by inserting the following as a new clause 12.10:

“12.10 In addition to the rights set out in clause 12.6, the Responsible Entity will, from the Grower’s Insurance Proceeds received by it on behalf of the Grower retain an additional amount equal to 44.50% of the Grower’s Insurance Proceeds plus GST, and will hold the balance of the Grower’s Insurance Proceeds in the Proceeds Fund on trust for the Grower on the terms set out in the Constitution. To the extent of any inconsistency or repetition between this clause 12.10 and the Constitution (including clause 27.3 of the Constitution) or the invalidity of this clause 12.10, the Constitution prevails. The rights of the Responsible Entity to receive the remuneration specified in this clause 12.10 are only available in relation to the proper performance of the Responsible Entity’s duties.”

***Changes to the Forestry Right Lease Agreement***

Amend clause 3 of the Forestry Right Lease Agreement by inserting the following at the end of clause 3.1:

“The Responsible Entity may, at its absolute discretion, determine the amount by which the rental fee payable on behalf of the Grower out of Net Proceeds of Sale might be reduced having regard to any reduction in rental of land used for the purposes of the Project.”

Amend clause 12.6 of the Forestry Right Lease Agreement by inserting the following at the end of clause 12.6:

“The Responsible Entity may, at its absolute discretion, determine the amount by which the rental fee payable on behalf of the Grower out of the Grower’s Insurance Proceeds might be reduced, having regard to any reduction in rental of land used for the purpose of the Project.”

Amend clause 12 of the Forestry Right Lease Agreement by inserting the following as a new clause 12.10:

“12.10 In addition to the rights set out in clause 12.6, the Responsible Entity will, from the Grower’s Insurance Proceeds received by it on behalf of the Grower retain an additional amount equal to 44.50% of the Grower’s Insurance Proceeds plus GST, and will hold the balance of the Grower’s Insurance Proceeds in the Proceeds Fund on trust for the Grower on the terms set out in the Constitution. To the extent of any inconsistency or repetition between this clause 12.10 and the Constitution (including clause 27.3 of the Constitution) or the invalidity of this clause 12.10, the Constitution prevails. The rights of the Responsible Entity to receive the remuneration specified in this clause 12.10 are only available in relation to the proper performance of the Responsible Entity’s duties.”

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