

Timbercorp Securities Limited

2007 Timbercorp Almond Project (ARSN: 122 511 040)

Compliance Plan

[01 April 2009]

Contents

1.	Information about this Compliance Plan	1
1.1	Application of the compliance plan	1
1.2	Purpose of this Compliance Plan	1
1.3	How to read this Compliance Plan	2
1.4	Description of the Scheme	2
2.	Framework	6
2.1	Compliance framework	6
2.2	Non-compliance risk and impact	8
2.3	Compliance Committee/Board	9
2.4	Role of the Compliance Officer	12
2.5	Role of audit	13
2.6	Reviewing and amending the Compliance Plan	13
2.7	Amending the Constitution	14
2.8	Summary of compliance procedures	15
Appendix 1	Dictionary	18
Appendix 2	Rules of interpretation	21
Appendix 3	Organisation structure chart—compliance	22
Appendix 4	Compliance Officer's report	23
Appendix 5	Pro forma Compliance Committee meeting agenda	24
Appendix 6	Pro forma compliance report by Responsible Officers	25
Appendix 7	Pro forma Breach Report	26
Appendix 8	Pro forma Breach Register Summary	27
Appendix 9	Operational compliance measures	28
Compliance procedure 1	Compliance Plan	28
Compliance procedure 2	Compliance committee	30
Compliance procedure 3	Compliance officer	32
Compliance procedure 4	Compliance auditor	33
Compliance procedure 5	Custodian	36
Compliance procedure 6	Safe keeping and segregation of Scheme Property	38
Compliance procedure 7	Valuation	41
Compliance procedure 8	Collection of Income / Grower's Annual Payments	42
Compliance procedure 9	Fees and expenses	43
Compliance procedure 10	Applications, distributions and transfers	42
Compliance procedure 11	Record keeping and disclosure / Disaster Recovery Plan	45
Compliance procedure 12	Capital, Liquidity and Insurance	47

Compliance procedure 13	External Service Providers (Including Strategic Alliance Partners)	48
Compliance procedure 14	Training and Recruitment	49
Compliance procedure 15	Promotion of Scheme / Disclosure and Reporting to Growers	51
Compliance procedure 16	Monitoring AFS license and authorised representatives	53
Compliance procedure 17	Related Party Transactions	54
Compliance procedure 18	Complaints	56
Compliance procedure 19	Recording Breaches	57
Compliance procedure 20	Investment Risks and Safeguards	58
Compliance procedure 21	Conflicts of Interests	59
Compliance procedure 22	Winding up the Scheme	60
Compliance procedure 23	Selection of Land	61

1. Information about this Compliance Plan

1.1 Application of the compliance plan

- (a) This compliance plan applies to the 2007 Timbercorp Almond Project.
- (b) Subject to the Corporations Act, all the provisions of the compliance plan apply to the Scheme until the Responsible Entity determines otherwise.

1.2 Purpose of this Compliance Plan

- (a) This Compliance Plan sets out the key processes, systems and measures the Responsible Entity will apply to ensure compliance with—
 - (i) The Act
 - (ii) The Constitution, and
 - (iii) Industry practice standards relevant to the Scheme.
- (b) This Compliance Plan is a “how to” document, providing sufficient detail on—
 - (i) The obligations which must be met by the Responsible Entity
 - (ii) What measures or procedures are in place to comply with these obligations, and
 - (iii) How compliance with those measures and procedures will be monitored.
- (c) This Compliance Plan also details the risks of not complying with these obligations, and how breaches are to be reported and addressed.
- (d) The description of measures in place allows Responsible Entity staff with compliance responsibilities to identify what procedures they are responsible for monitoring and how often they have to report on compliance or otherwise with those measures.
- (e) The responsible managers and the Compliance Officer report to the Board and the Compliance Committee on a regular basis. A pro forma Compliance Officer's report is at *Appendix 4*.
- (f) This Compliance Plan must be integrated into the operations of the business and its use is not optional.
- (g) The Responsible Entity wants to achieve a compliance culture where each staff member owns compliance, and immediately reports and addresses breaches as far as practicable. We want our staff to not only do the right thing, but know how to do it. Failure to report a breach is treated seriously and as such, the organisation adopts a no blame policy in relation to breaches but not so in relation to failure to report.

1.3 How to read this Compliance Plan

It is vital that users of this Compliance Plan understand their role in its effective implementation. The operational procedures noted in *Appendix 9* do not provide enough information on their own and there are several sections of the Compliance Plan that must be read by all users of this document in order to fully understand their responsibilities. Sections that are considered essential reading, in addition to comments on procedural areas specific to the user, are—

- (a) Section 1.2 Purpose of this Compliance Plan
- (b) Section 1.4 Description of the Scheme
- (c) Section 2.1 Compliance framework
- (d) Section 2.3 Compliance Committee/Board
- (e) Section 2.4 Compliance Officer
- (f) Appendix 1 Dictionary
- (g) Appendix 3 Organisational structure chart
- (h) Appendix 7 Pro-forma Breach Report Form

The Compliance Plan is structured in such a way that it clearly identifies the legal responsibility that must be complied with. The procedures described are part of the processes used by the Responsible Entity to meet that obligation. The Compliance Plan identifies—

- (a) The part of the business responsible for carrying out those procedures
- (b) How compliance with those procedures will be monitored, and
- (c) Who is responsible for monitoring compliance?

That person is also responsible for reporting compliance and non-compliance with those procedures to the CO. The frequency of reporting is also stated.

1.4 Description of the Scheme

1. The Responsible Entity

TSL (AFS License No. 235653) is the responsible entity of the Scheme, is a wholly-owned subsidiary of Timbercorp Limited and has the following functions:

- (a) Manager, engaged by the Growers to cultivate, maintain, harvest, deliver, process the procurement, market and sell the crop;
- (b) Lessee and Sub-Lessor of the Orchard;

- (c) Provider of financial product services and advice, restricted to general financial product advice limited to interests in the scheme and general insurance products (which TSL as responsible entity may offer to Growers in relation to their interest in the scheme); and
- (d) Issuer of Product Disclosure Statement.

2. Key Features of the Scheme

Upon payment and acceptance of the Application Money by TSL, a participant of the Scheme:

- becomes a Grower;
- becomes bound by the Constitution;
- is allotted Almondlots from the Orchard;
- becomes a party to the Sub-lease and Almondlot Management Agreement, described below;
- engages TSL to enter into any processing or sale agreement in relation to the Almonds as the Grower's agent and attorney;
- Becomes entitled to receive a proportionate share of the proceeds from the sale of the Almonds, after deduction of each Grower's proportionate share of all management fees and marketing costs and the Grower's rent.

3. Scheme Documentation

The Scheme is regulated by, and based on, the following documentation:

Constitution

The Constitution of the Scheme is a legally enforceable document between Growers and TSL, as the responsible entity. Section 601FC(1)(f) of the Corporations Act requires TSL to ensure that the Scheme's Constitution meets the requirements of sections 601GA and 601GB of the Corporations Act.

As prescribed by section 601GA of the Corporations Act, the Scheme's Constitution makes provision for:

- (a) The application process for interests in the Scheme;
- (b) the consideration that is to be paid to acquire an interest in the Scheme;
- (c) the powers of the Responsible Entity in relation to making investments in, or otherwise dealing with, Scheme Assets;
- (d) the method by which complaints made by Growers in relation to the Scheme are to be dealt with;

- (e) the distribution of the proceeds from the sale of Almonds to Growers; and
- (f) winding up of the Scheme;

Under the Constitution, TSL is engaged by the Growers to manage the Scheme and enter into any processing agreement in relation to the Almonds as the Growers' agent and attorney and to enter into any sale agreement in relation to the Almonds as the Growers' agent and attorney. A copy of the Constitution has been lodged with ASIC.

Sub-lease

The Sub-lease will be entered into by TSL, Almond Land Pty Ltd (referred to in this Plan as the Land Owner) and each Grower.

The Land Owner will establish the entire infrastructure and other capital works necessary to operate a commercial almond orchard and will plant the Almond Trees on the Orchard. These works have included the installation of irrigation equipment and the construction of a dam. The Land Owner will own the Orchard, the Almond Trees planted on the Orchard and all associated capital works and infrastructure, including all water licenses.

Under the Sub-lease, TSL will grant a sub-lease to Growers to use and occupy discrete areas of the Orchard (each known as an Almondlot) comprising approximately 0.25 hectares for the term of the Scheme. The Almondlots will be cultivated and managed for the Growers for the purpose of producing Almonds for commercial gain.

Tree Supply and Capital Works Agreement

Under the Tree Supply and Capital Works Agreement, the Land Owner will engage Select to oversee all of the works which the Land Owner is required to undertake under the Sub-lease. This includes the obligations to carry out all necessary capital works to establish the Orchard and to plant the Almond Trees on the Orchard. Furthermore, under this Agreement, the Land Owner agrees to buy from Select and other contract nurseries the Almond Trees being planted on the Orchard.

Almondlot Management Agreement

The Sub-lease is conditional upon the Grower entering into an Almondlot Management Agreement with TSL. Under that agreement, the Grower engages TSL to cultivate and maintain the Almond Trees on its Almondlots, harvest the mature Almonds and process and sell the Almonds.

Management Agreement

TSL will enter into a Management Agreement with Almond Management Pty Ltd (Almond Management) under which it will delegate its responsibilities relating to the cultivation, management and harvest of the Almond Trees to Almond Management.

Under this Management Agreement, TSL will also delegate to Almond Management, subject to TSL's directions, its obligations to procure the processing of the Almonds and to enter into any sale agreement in relation to the Almonds.

Almond Orchard Management Agreement

Under the Almond Orchard Management Agreement, TSL and Almond Management will enter into an Almond Orchard Management Agreement with Select under which they will engage Select to carry out all of the cultivation, management, harvesting, processing and sale obligations relating to the Almondlots and the Almonds. Select is Australia's leading grower, processor and marketer of almonds. It is a public company listed on the Australian Stock Exchange.

Management Plan

The initial Management Plan will be annexed to the Almondlot Management Agreement and will set out the standards which must be followed in relation to the cultivation and management of the Orchard.

Custody Agreement

Under a Custody Agreement, TSL has engaged Trust Company of Australia Limited (Trust Company) to act as Custodian and carry out the following functions:

- receive and hold Scheme Assets and all income accruing on them and any document of title to them in safe custody; and
- Retain in safe custody the executed Scheme Documents.

Lease

In order to secure the tenure of Growers' interests in the Orchard for the duration of the Scheme, the Land Owner has leased the underlying land to TSL. The Lease confers on TSL exclusive possession of the land and will be registered with the Land Titles Office of Victoria.

Parties of the Scheme

The main parties in the Scheme are:

- (a) the responsible entity, lessee, sub-lessor and manager, Timbercorp Securities Limited;

- (b) the Growers, that is, the participants in the Scheme;
- (c) the Custodian appointed by the responsible entity to hold the Scheme Assets;
- (d) Almond Land Pty Ltd, the owner of the land, water licenses and other capital works associated with the Orchard;
- (e) Almond Management Pty Ltd, to which TSL will delegate its management and marketing responsibilities;
- (f) Select Harvests Limited, which will carry out all the capital works, including planting the Almond Trees, in relation to the establishment of the Orchard, and the management and marketing responsibilities relating to the Almondlots and the Almonds delegated to it by Almond Management;
- (g) Contractors and Experts;
- (h) Product Disclosure Statement Experts, including TSL's legal advisers;
- (i) TSL's professional advisers; and
- (j) the Compliance Committee, and
- (k) The Compliance Officers.

The operational compliance measures set out in *Compliance Procedure 1 to Compliance Procedure 23* of this Compliance Plan set out risks which must be managed by the Responsible Entity under this Compliance Plan.

2. Framework

2.1 Compliance framework

The Compliance Plan describes how the Responsible Entity for the Scheme will ensure it complies with the Act and the Constitution.

The flowchart in *Appendix 3* sets out the organisational structure for the Responsible Entity's compliance system. The standard reporting lines are shown in black. For example, where a Compliance Committee is appointed, it will usually deal with the CO, however it also has the right to report directly to the Board or ASIC if necessary in order to carry out its functions under the Act and this Compliance Plan.

The gathering and checking of information for each compliance issue is the role of a nominated person (Responsible Officer) within the Responsible Entity (delegate). Each Responsible Officer must prepare a quarterly report (*Appendix 6*) addressing the items of compliance allocated to the Responsible Officer. A checklist of compliance items for each Responsible Officer may be prepared and form the basis for the quarterly reports. These Responsible Officer reports are used by the CO in monitoring compliance and reporting to the Compliance Committee and Board.

This Compliance Plan has been adopted by the Board. The Compliance Plan was formally tabled at a board meeting of the Responsible Entity and a resolution was passed at the meeting adopting the Compliance Plan as the compliance plan for the Scheme.

Apart from the minimum requirements under the Act, the individual characteristics of the Scheme have determined the content of this Compliance Plan. The underlying objective of the Act and this Compliance Plan is to ensure the interests of the Growers are protected.

Under this Compliance Plan, the following specific matters are included to address risks of non-compliance with the Act and the Constitution and in so doing achieve the objective of protecting Growers' interests:

- (a) Scheme Property will be held by the Custodian, for so long as the Responsible Entity itself does not satisfy the Custodial Standards or where the Responsible Entity has met the Custodial Standards but has elected to appoint a custodian.
- (b) The Responsible Entity has set operational compliance measures in order to address risks of non-compliance with the Act and the Constitution and those objectives are set out in *Appendix 9* of this Compliance Plan.
- (c) The Responsible Entity has appointed individuals to carry out specific duties in respect of different matters. The individuals appointed to carry out specific duties in respect of different matters have the primary responsibility for the performance of those duties for the Responsible Entity. Primary responsibility means that in the ordinary course of business the person with primary responsibility for a task would perform that task. However, if circumstances exist which prevent the person with primary responsibility from performing a particular task, then the task may be performed by a different person for the Responsible Entity.
- (d) Individuals with primary responsibility for particular duties must report to the CO in respect of their duties and, in particular, any systemic breaches within the operations of the Responsible Entity which are discovered during the performance of those duties.
- (e) The CO must action those reports and breaches in order to achieve the performance of the duties. The CO must also report regularly to the Board in respect of the performance of the duties.

References in this Compliance Plan to individual positions within the Responsible Entity's organisation are references to positions in the organisational compliance chart as amended from time to time.

2.2 Non-compliance risk and impact

(a) Non-compliance risk and impact

This Compliance Plan includes an assessment of the risk that a compliance procedure will not be complied with and the impact that non-compliance with that procedure will have on the interests of Growers. Risks are categorised as follows:

- (i) High—there is a high risk that non-compliance may have a material adverse affect on Growers' interests.
- (ii) Moderate—there is a moderate risk that non-compliance may have a material adverse affect on Growers' interests.
- (iii) Low—there is a low risk that non-compliance may have a material adverse affect on Growers' interests.

(b) Categorising Breaches

- (i) Breaches are categorised as either "minor" or "significant". Breaches which are not categorised as minor must automatically be categorised as significant.
- (ii) Minor breaches are those which have minimal impact on Timbercorp's ability to-
 - a. Comply with the conditions of the Act
 - b. Comply with the conditions of its AFS licence
 - c. Effectively manage and operate its managed investment schemes, and
 - d. Deal with Growers.

Minor breaches are not required to be reported to ASIC.

- (iii) Significant breaches are those breaches which are not considered minor and are likely to result in a breach of any of the following obligations:
 - a. Provide financial services efficiently, honestly and fairly.
 - b. Comply with the conditions on its AFS licence.
 - c. Comply with the financial services laws.
 - d. Take reasonable steps to ensure representatives comply with financial services laws.
 - e. Have adequate resources available to provide the financial services.

- f. Maintain the degree of competence ASIC require of financial services licensees.
- g. Ensure representatives are adequately trained.
- h. Have a suitable dispute resolution procedure in place.
- i. Have adequate risk management systems.
- j. Have compensation arrangements for retail clients.

The reference to the obligation to comply with the financial services law in clause 2.2(b)(iii)c is broad and means that any significant breach of compliance in relation to the Act must be reported to ASIC.

Significant breaches must be reported to ASIC within **10 business days** of becoming aware of the breach or the likely breach.

(c) **Recording Breaches**

Once a breach has been identified and classified the Compliance Officer must record the breach in the breach register.

- (i) The breach register should contain the following information:
 - a. The date of the breach.
 - b. The date on which Timbercorp became aware of the breach.
 - c. A description of the breach.
 - d. Information on how the breach was identified.
 - e. The procedure to be used for handling the breach.
 - f. Steps being taken to prevent recurrence of the breach.
 - g. Factors used to classify the breach.
 - h. The date on which the breach was rectified.
- (ii) An example of the breach register is included in Appendix 7 – Breach Register
- (iii) A summary of the Breach Register is kept. An example of this is included in Appendix 8.
- (iv) The Breach Summary and Register is tabled at the Compliance Committee.

2.3 Compliance Committee/Board

- (a) **Establishing Compliance Committee**

The Responsible Entity is required by law¹ to establish a Compliance Committee if less than half of the directors of the Responsible Entity are external directors². If the Board is required by law to establish a Compliance Committee, then it must do so within 14 days after it is required to do so or within any longer period that ASIC has agreed to in writing.

If a Compliance Committee is not established, then references in this Compliance Plan to the Compliance Committee must be read as references to the Board (as the context requires). References to members of the Compliance Committee are taken to be references to directors of the Responsible Entity (as the context requires).

(b) Members of Compliance Committee

In the event a Compliance Committee is established by the Board, the Compliance Committee must have the following features:

- (i) The Compliance Committee must have at least three members.
- (ii) A majority of the members must be external members³.
- (iii) Members of the Compliance Committee must have
 - Tertiary qualifications in a financial, legal or accounting discipline or alternatively a minimum of 5 years of relevant work experience, and some understanding of the financial services industry and the managed investments legislation, or alternatively
 - At least 5 years' experience in either managing assets of the kind the Scheme will predominantly hold, funds management, business management or another occupation which the Responsible Entity determines is relevant to the Scheme and the compliance responsibilities.

Compliance Committee members will be appointed under a written agreement for a period and on terms acceptable and agreed by all parties prior to commencement of their duties. The agreement will set out the following:

- (iv) The tenure of the member's appointment
- (v) The terms and conditions of the member's appointment.

¹ See Section 601JA(1) of the Act

² The term "external directors" is defined in Section 601JA(2) of the Act

³ The term "external members" is defined in Section 601JB(2) of the Act

- (vi) If relevant, confirmation the member is "external" as this term is defined in the Act. If there is uncertainty about whether a prospective member is external, then the Responsible Entity must obtain confirmation from its external auditor prior to the appointment of the member.
- (vii) Remuneration for the member.
- (viii) Disclosure of any direct or indirect financial interests the member may have in connection with the Scheme or the Responsible Entity.
- (ix) Indemnification of members
- (x) Insurance of members

(c) Functions of Compliance Committee

The functions of the Compliance Committee are as follows:

- (i) To monitor to what extent the Responsible Entity complies with this Compliance Plan and to report on its findings to the CO.
- (ii) To report to the CO if the Compliance Committee becomes aware or suspects—
 - a. Any breach of the Act or this Compliance Plan involving the Scheme, or
 - b. Any breach of the provisions included in the Constitution in accordance with section 601GA of the Act.
- (iii) To report to the Board if the Compliance Committee is of the view that the CO has not taken, or does not propose to take, appropriate action to deal with a matter reported to the CO.
- (iv) To report to ASIC if the Compliance Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported to the Board.
- (v) To assess at regular intervals whether the Compliance Plan is adequate, to report to the Responsible Entity on the assessment and to make recommendations to the Responsible Entity about any changes that it considers should be made to the Compliance Plan.
- (vi) To assess if the Responsible Entity's actions are in accordance with each Offer Document, the Constitution, the Act and in Growers' best interests.
- (vii) To assess whether the Responsible Entity is applying the disclosure principles required by ASIC policy and maintaining ongoing disclosure to Growers.

The Compliance Committee is entitled to require the Responsible Entity and its staff to provide such information as is necessary for it to discharge its functions. In carrying out its functions, the Compliance Committee may commission independent legal, accounting or other professional advice or assistance, at the reasonable expense of the Responsible Entity.

The functions of the Compliance Committee must be performed on an ongoing basis.

- (d) Meetings and reporting
 - (i) The Compliance Committee will meet quarterly.
 - (ii) A quorum for a Compliance Committee meeting will be two-thirds of the number of Compliance Committee members.
 - (iii) The Compliance Committee will elect a chairperson.
 - (iv) Compliance Committee meetings will be based on the pro forma agenda set out in *Appendix 5* of this Compliance Plan.
 - (v) The Compliance Officer of the Responsible Entity will attend and will take minutes of each meeting and distribute them to Compliance Committee members, the Compliance Officer and the Board within 30 days of each meeting.

2.4 Role of the Compliance Officer

- (a) Overview of the role

The CO will ensure adequate internal systems and controls have been implemented to ensure compliance with the Act, the Constitution, the Responsible Entity's AFS licence and internal and industry standards. These duties include promoting the compliance culture within the organisation and to external service providers. The CO is primarily responsible for reviewing compliance on an ongoing basis, reporting on compliance matters, including breaches, to the Compliance Committee and acting on recommendations of the Compliance Committee. Matters can be referred to the Board or ASIC if necessary.

- (b) Qualifications, reporting line, frequency and format of reporting

The CO must have appropriate experience in the funds management industry and report directly to the Compliance Committee before each Compliance Committee meeting or more frequently as required. The format of reporting is as per the pro forma report in *Appendix 4*.

TSL compliance measures will be monitored by 2 Compliance Officers:

(i) The First Compliance Officer

The First Compliance Officer must have appropriate financial, legal or economic experience of at least 3 years within, or advising participants in, the Financial Services industry and a detailed understanding of the Financial Services industry, the Corporations Act and the Managed Investments legislation. The First Compliance Officer reports directly to the Compliance Committee before each Compliance Committee meetings or more frequently as required.

(ii) The Second Compliance Officer

The Second Compliance Officer must have appropriate experience of at least 5 years in agriculture. The Second Compliance Officer reports directly to the Compliance Officer on a quarterly basis before each Compliance Committee meeting or more frequently as required.

2.5 Role of audit

The Responsible Entity must engage an external auditor as required by the Act. The role of the external auditor is to annually—

- (a) Examine the Compliance Plan, and
- (b) Carry out an audit of compliance with the Compliance Plan and submit a report to the Responsible Entity providing an opinion as to whether the Responsible Entity has complied with the Compliance Plan throughout the previous year and if the Compliance Plan continues to comply with the requirements of the Act.

2.6 Reviewing and amending the Compliance Plan

To ensure the Compliance Plan continues to provide an adequate compliance framework for protection of Growers, the CO will report to the Compliance Committee at least annually on the continued adequacy of the Compliance Plan. So the Compliance Committee is informed of all internal developments, all staff members are instructed to report all proposed changes in operating structure and procedures to the CO. These Compliance Checklists are included in the CO's report to the Compliance Committee.

Part of the CO's role is to remain up to date with all regulatory and industry standards changes. Any such changes that impact the Compliance Plan are

included in the CO's report to the Compliance Committee. Subject to the Act, this Compliance Plan can be amended by the Board. All amendments are notified to the Compliance Committee for approval of the amended Compliance Plan by the Board.

The CO is responsible for submitting amended Compliance Plans to ASIC and ensuring all staff responsible for compliance matters receive notification of the change and an updated copy of the Compliance Plan.

2.7 Amending the Constitution

The First Compliance Officer and TSL's legal advisers are responsible for ensuring that any changes to the Constitution are made and reported to ASIC, in accordance with the Constitution and the Corporations Act. This is monitored via the First Compliance Officer Checklist.

2.8 Summary of compliance procedures

Procedure	Task	Responsible Officer
Compliance Procedure 1	Preparation and review of the Compliance Plan	CO
Compliance Procedure 2	Establishment of a Compliance Committee	CO
Compliance Procedure 3	Appointment of a Compliance Officer	FCO
Compliance Procedure 4	Appointment of a Compliance Auditor	CO
Compliance Procedure 5	Appointment of Custodian	CO, GMAT, FCO
Compliance Procedure 6	Safe keeping and segregation of Scheme Property	GMSS, GMAT, FCO
Compliance Procedure 7	Valuation	FCO, GMH
Compliance Procedure 8	Collection of Income and Growers' Annual Payments	GMAT, GMSS, CO
Compliance Procedure 9	Fees and expenses	GMAT, FCO, CO
Compliance Procedure 10	Processing applications, distributions and transfers	GMSS, GMAT, FCO, CO
Compliance Procedure 11	Record keeping and disclosure / Disaster Recovery Plan	CO, CIO, GMAT
Compliance Procedure 12	Maintenance of capital, liquidity and insurance	CO, GMH
Compliance Procedure 13	Appointment of external service providers (including Strategic Alliance Partners)	GMH
Compliance Procedure 14	Training and recruitment of staff	CO
Compliance Procedure 15	Promotion of Scheme, disclosure and reporting to Growers	FCO (GC), GMAT, CO
Compliance Procedure 16	Monitoring of AFS license conditions and authorised representatives	CO
Compliance Procedure 17	Related Party Transactions	FCO (GC), CO, GMAT
Compliance Procedure 18	Management of Complaints	CO
Compliance Procedure 19	Recording Breaches	CO, GMH
Compliance Procedure 20	Investment Risks and Safeguards	GMH, FCO, GMAT
Compliance Procedure 21	Conflicts of Interests	CO
Compliance Procedure 22	Winding up of the Scheme	FCO

Procedure	Task	Responsible Officer
Compliance Procedure 23	Selection of Land	FCO

Signed by the Directors of Timbercorp Securities Limited (or by their agent).



Director

S C Rabinowicz



Director

G W Liddell



Director

R J Hance

Date: 01 APR 2009

Appendix 1 Dictionary

Act	The Corporations Act 2001 (Cth) as amended and in force from time to time including the Corporations Regulations 2001.
AFS licence	Australian financial services licence
Agency account	The bank account in which Proceeds and any other money that TSL may hold for the Grower, other than Subscription Money and interest on Subscription Money, are recorded.
ASIC	Australian Securities and Investments Commission
Board	The board of directors of the Responsible Entity.
Breach Report	A report prepared by the CO which details any breaches of compliance procedures.
CCO	Corporate Communications Manager of the Responsible Entity
CO	The Compliance Officer of the Responsible Entity described in section 2.4.
Compliance Committee	The committee described in section 2.3.
Compliance Plan	This compliance plan and all annexure, schedules, attachments and amendments to it.
Compliance Report	Quarterly reports prepared by the relevant Responsible Officers. Each report must list each compliance procedure for which that person is responsible and either confirm that the compliance procedures have been complied with, or provide details of all breaches of the compliance procedures. The report may take the form of a checklist with Breach Reports attached where applicable. All Compliance Reports must be retained by the CO.
Constitution	The document, known as the Constitution, under which the Scheme is established.
Custodial Standards	The standards the Custodian must meet under the Responsible Entity's AFS licence and the Act.
Custodian	The custodian appointed by the Responsible Entity to hold Scheme Property, or if the Responsible Entity acts as self-custodian, then references to the Custodian must be read as references to the Responsible Entity (except where the context requires otherwise).

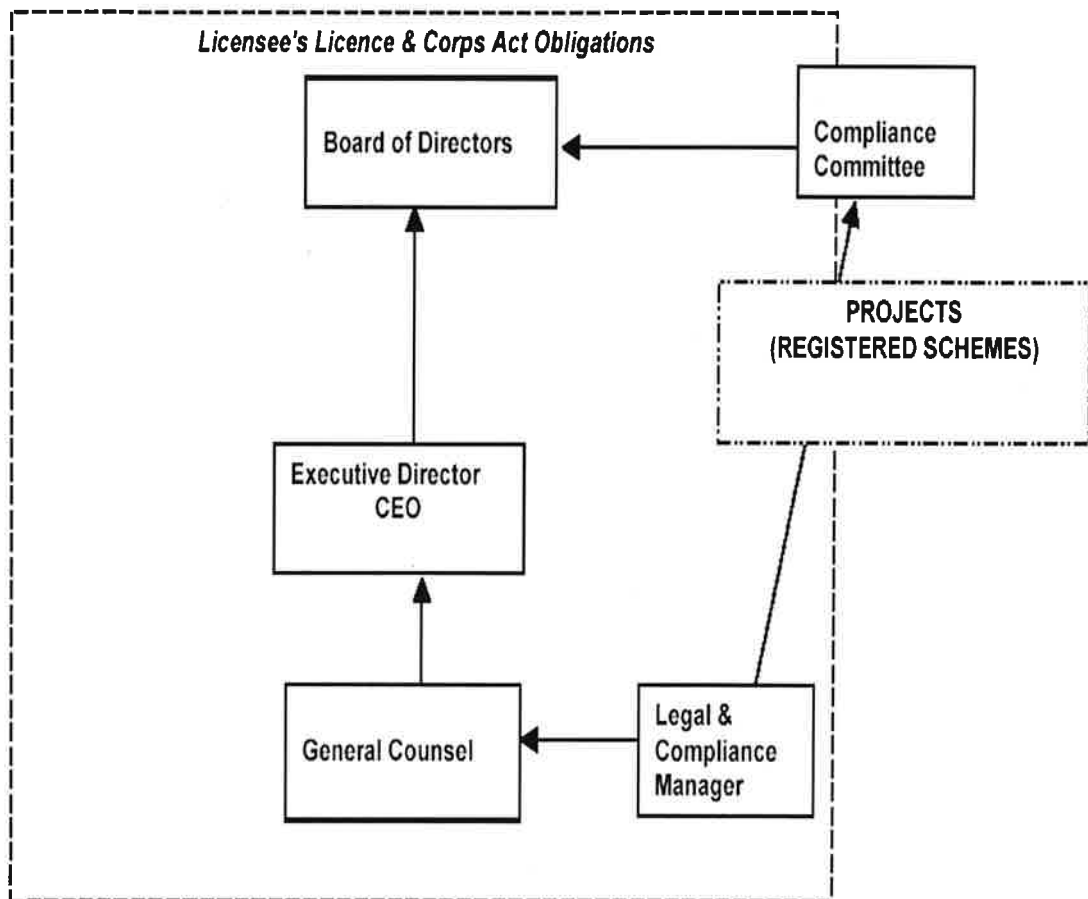
ED	The Executive Director of the Responsible Entity
FCO	The First Compliance Officer of the Responsible Entity
GC	General Counsel of the Responsible Entity
GMAT	General Manager, Accounting & Finance of the Responsible Entity
GMH	General Manager, Horticulture of the Responsible Entity
GMSS	Grower Management Services Supervisor of the Responsible Entity
Offer Document	The product disclosure statement or other disclosure document (as the case may be) under which interests in the Scheme are offered.
Proceeds	<p>(a) Interest received on moneys in the Agency Account;</p> <p>(b) Any moneys payable to the Growers under any policy of insurance in relation to the Growers' lots, the crop or the Scheme (subject to the Constitution); and</p> <p>(c) Proceeds from the sale of the harvest.</p>
RO	<p>Responsible Officer</p> <p>Officers who have direct responsibility for significant day-to-day decisions and have appropriate knowledge and skills for their role.</p>
SCO	Second Compliance Officer of the Responsible Entity
RE	The responsible entity of the Scheme from time to time.
Scheme	The managed investment scheme for which this Compliance Plan has been prepared, described in section 1.4 and known as the 2007 Timbercorp Almond Project.
Scheme Property	Assets held by the Responsible Entity on trust for Growers under the Scheme.
Strategic Alliance Partner	Refers to Select Harvests Limited which provides the establishment, management, harvesting, processing and marketing services in relation to the Scheme.
Trust Account	The bank account in which Subscription Money and interest on Subscription Money are recorded.
Grower	A Grower of the Scheme.

Appendix 2 Rules of interpretation

In this Compliance Plan unless the context indicates a contrary intention or otherwise requires—

- (a) Words denoting any gender include all genders
- (b) The singular number includes the plural and vice versa
- (c) References to any legislation includes any legislation which amends or replaces that legislation
- (d) Except in the dictionary, headings do not affect the interpretation of this Compliance Plan
- (e) Words in italics provide an explanation or example of the intended operation of the particular clause in question and may be used to resolve any dispute about that clause
- (f) A reference to a document includes any variation or replacement of it
- (g) A reference to any thing includes the whole or each part of it, and
- (h) The defined terms in Appendix 1 have the meaning given them in that schedule.

Appendix 3 Organisation structure chart—compliance



Appendix 4 Compliance Officer's report

(This is provided as an example of what may be used as a basis for reporting to the Board/Compliance Committee prior to or at meetings. It is expected that this will be tailored to suit the specific needs of the Compliance Committee meeting at the time.)

Quarterly Compliance Report

To: Compliance Committee

From: Compliance Officer

1. General Issues
 - ASX Announcements
 - Statutory Deadlines
 - Changes in Laws, Regulations, ASIC policies etc
2. Financial Compliance
 - capital and liquidity requirements
 - distribution/cash flow
 - performance against benchmarks
3. Monthly Project Arrears Report
4. Training Report
5. Checklists from Management
6. Registers
 - Breaches register
 - Complaints register
 - Conflicts of interest register
 - Related party transactions register, and
 - Water Register
7. Summary of the Second Compliance Officers' Reports
8. Compliance plan
 - changes to procedures
 - policy changes
9. Other Matters

Appendix 5 Pro forma Compliance Committee meeting agenda

This is an example only of a Compliance Committee meeting agenda referred to in clause 2.3(d)(iv).

COMPLIANCE COMMITTEE MEETING AGENDA	
HELD	#[place meeting held]
DATE	#[date meeting held]
TIME	#[time meeting held]
SUBJECT	Compliance Committee Meeting
PRESENT	#[present]

1. Confirm minutes of previous meeting.
2. Conflicts of Interest Disclosure.
3. Compliance Officer's Report.
4. Tabling of the Second Compliance Officer's reports.
5. Tabling of Registers.
6. Notification of matters affecting Growers' interests.

Documents for meeting—

- NTA schedule
- Harvest Payment schedule
- Monthly Project Arrears Report
- Water Register
- Breach register
- Complaints register
- Minutes from previous meeting
- Related Party Register

Appendix 6 Pro forma compliance report by Responsible Officers

(This is provided as an example of what may be used as a basis for reporting to the Board/Compliance Committee prior to or at meetings. It is expected that this will be tailored to suit specific needs of the Compliance Committee meeting at the time.)

QUARTERLY COMPLIANCE REPORT—#[POSITION TITLE]

Quarter: # Scheme: **Timbercorp Securities Limited**
 Due: # Incumbent: **#[e.g., Responsible Officer's name]**

TASK	DONE	COMMENTS	SPOT AUDIT
#[Clause title & number] #[brief summary of clause relevant to incumbent]	<input type="checkbox"/>	_____	<input type="checkbox"/> By_____
#[Clause title & number] #[brief summary of clause relevant to incumbent]	<input type="checkbox"/>	_____	<input type="checkbox"/> By_____






For anything not done, you must complete a Breach Report.

All items in this checklist have been attended to or are the subject of a Breach Report as indicated.

 Signature of #[position title]

Appendix 7 Pro forma Breach Report

This is an example only of a Breach Report referred to in clause 2.2(c).

Breaches Register	
Breach number:	Date recorded:  Date of breach: 
Licensee: <input type="text" value="Select..."/>	AFS Licence number: <input type="text" value="Select..."/>
Description of breach:	
Breach classification: <input type="text" value="Select..."/>	
Rationale of classification:	
Action Plan:	
Root cause of breach:	
Control to avoid reoccurrence:	
Date of rectification: 	Status: <input type="text" value="Select or type..."/>
Prepared by:	Reviewed by:
Date tabled at Compliance meeting: 	Date tabled at Board Meeting: 
Reportable to ASIC: Yes	
<input type="button" value="Submit"/>	

Appendix 8 Pro forma Breach Register Summary

This is an example only of the breach register summary referred to in clause 2.2.

Breach Register Summary						
Licensee:		#[name of licensee]				
AFS licence number:		[AFS licence no.]				
No.	Report Date	Officer Responsible	Date breach detected	Act, AFS licence or ASIC Policy	Rating * [S / M]	Comments or details
1.						
2.						
3.						
* Breach rating : S = significant; M = minor						
Register review						
Period:		Quarterly Review				
Position:		Compliance Committee				
Person responsible:		Compliance Officer				
<div> <div>Signed: <input type="text"/></div> <div>Date: <input type="text"/></div> </div> <div> <div>Name</div> </div>						
<div> <div>Signed <input type="text"/></div> <div>Date <input type="text"/></div> </div> <div> <div>Name</div> </div>						
<div> <div>Signed <input type="text"/></div> <div>Date <input type="text"/></div> </div> <div> <div>Name</div> </div>						

Appendix 9 OPERATIONAL COMPLIANCE MEASURES

Compliance procedure 1 Compliance Plan

Scope	The Compliance Plan must meet the requirements of the Act, and must be regularly reviewed and if necessary amended.
Delegate	Compliance Officer (CO)
Source of obligation	Sections 601HA and 601HE of the Act

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Review and, if necessary, modification of the Compliance Plan.	The Compliance Plan is not modified to reflect changes to the operations or structure of the Scheme, or is not updated to take account of industry, legal or other changes.	Low	The CO must review the Compliance Plan annually (or as necessary) and suggest any modifications/amendments (in consultation with its legal advisers, the auditor of the Compliance Plan, ASIC, industry/regulatory bodies and the Compliance Committee, where necessary) to the Compliance Plan.	Annually	<p>The CO must report to the Compliance Committee at least annually to the Compliance Committee meeting—</p> <ul style="list-style-type: none"> • how the Compliance Plan has been reviewed since the last meeting • all suggested modifications to the Compliance Plan, and • whether all steps have been taken to modify the Compliance Plan. <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Lodgement of replacement or supplementary Compliance Plan with ASIC.	A modification to the Compliance Plan is not lodged with ASIC in contravention of the Act.	Low	The CO must ensure that a copy of any modification to this Compliance Plan is signed by the directors of the Responsible Entity and lodged with ASIC within 14 days of the modification.	Where applicable	<p>The CO must report to the Compliance Committee at each Compliance Committee meeting—</p> <ul style="list-style-type: none"> • all modifications to the Compliance Plan lodged with ASIC, and • any failures to lodge modifications with ASIC within the 14 day timeframe. <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Use of a Compliance Checklist to comply with ongoing obligations under the Constitution, the Corporations Act and the Compliance Plan.

Various ongoing obligations under the Constitution, the Corporations Act and the Compliance Plan are not complied with.

Low

A Compliance Checklist will be used by all Responsible Officers and Second Compliance Officers to ensure that TSL complies with its obligations. The Compliance Checklist must be signed-off to confirm that the compliance activities have been met and submitted to the Compliance Officer for tabling at every quarterly Compliance Committee meeting.

Quarterly

The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.

Compliance Procedure 2 Compliance committee

Scope	To ensure that the Responsible Entity's obligations under the Act in relation to the Compliance Committee are met. To ensure that the functions of the Compliance Committee are properly carried out.
Responsible officer	Compliance Officer (CO)
Source of obligation	Sections 601JA—601JJ of the Act

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Establishment of the Compliance Committee	A Compliance Committee is not established in accordance with the Act.	Low	<p>The CO must determine whether or not a Compliance Committee is required:</p> <ul style="list-style-type: none"> before the Board signs this Compliance Plan, and whenever the directorship of the Responsible Entity changes (if a Compliance Committee has not already been established). <p>If a Compliance Committee is required, then the CO must take responsibility for this procedure and ensure that the Board appoints a Compliance Committee within 14 days or within any longer period that ASIC has agreed to in writing.</p> <p>Note: A Compliance Committee is required if less than half of the directors of the Responsible Entity are external directors.</p> <p>The CO must ensure that the Compliance Committee members appointed are appropriately qualified and skilled as per Sect 2.3 (iii).</p>	On appointment, and then annually.	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Ensuring membership of the Compliance Committee is in accordance with the Act.	The membership of the Compliance Committee does not comply with the Act.	Low	<p>If a Compliance Committee is established, then the CO must ensure that—</p> <ul style="list-style-type: none"> the Compliance Committee has at least three members, and a majority of the members are external members. <p>Note: A member is an external member if he or she meets the following criteria:</p> <ul style="list-style-type: none"> The member is not, and has not been in the previous two years, a non-external director, an executive officer or an employee of the Responsible Entity or a related body corporate. The member is not and has not been in the previous two years, substantially involved in business dealings, 		<p>The CO must, in each Compliance Report, report on compliance or otherwise with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
			<p>or in a professional capacity, with the Responsible Entity or a related body corporate.</p> <ul style="list-style-type: none"> • The member is not and has not been a member of a partnership that is, or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the Responsible Entity or a related body corporate. • The member does not have a material interest in the Responsible Entity or a related body corporate. • The member is not a relative or de facto spouse of a person who has a material interest in the Responsible Entity or a related body corporate. <p>If the Compliance Committee does not meet these requirements, then the CO must ensure that the Board appoints such members to the Compliance Committee as necessary in order to comply. This must be done within 14 days or such longer period as ASIC has agreed to in writing.</p>		

Compliance Procedure 3 Compliance Officer

Scope	A Compliance Officer must be appointed to assume primary responsibility for compliance by the Responsible Entity with this Compliance Plan.				
Delegate	First Compliance Officer (FCO)				
Source of obligation	Section 601FC of the Act				
Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Appointment of CO.	A CO is not appointed to administer compliance with this Compliance Plan, and this Compliance Plan is breached in contravention of the Act.	Low	<p>The FCO must ensure the Board appoints a CO to carry out the CO functions under this Compliance Plan. If a CO ceases to carry out this role, then the ED must ensure the Board appoints a replacement.</p> <p>The FCO must ensure that the Board appoints a CO within 14 days of the establishment of this Compliance Plan, or 14 days of a previous CO ceasing to carry out the role, as the case may be.</p>	Quarterly	<p>If the Board fails to appoint or replace a CO when required, then the FCO must notify the Board and Compliance Committee.</p> <p>The Compliance Committee must monitor this procedure and ensure that a CO is appointed to carry out the CO functions under this Compliance Plan. The Compliance Committee must raise any failure to appoint a CO with the Board. If the Compliance Committee considers that the Board has not taken steps to remedy a breach of this procedure, then it may, if necessary, notify ASIC of the breach.</p>

Compliance Procedure 4 Compliance auditor

Scope	To ensure the Responsible Entity's obligations under the Act in relation to the audit of the Scheme and this Compliance Plan are met.				
Delegate	Compliance Officer (CO)				
Source of obligation	Section 601HG and section 331AAA of the Act				
Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Appointment of an auditor to audit compliance by the Responsible Entity with this Compliance Plan on an annual basis.	A compliance plan auditor is not appointed in accordance with the Act.	Low	<p>The CO must ensure the Board appoints a compliance plan auditor with the qualifications required under the Act.</p> <p>The CO must report at least annually on compliance with these procedures. The CO must also report on compliance with these procedures to the Compliance Committee. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p>	Annually	<p>The CO must report annually on compliance with these procedures.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Compliance by the Responsible Entity with this Compliance Plan audited in accordance with the Act.	This Compliance Plan is not audited in accordance with the Act.	Low	<p>The CO must ensure an audit of the Responsible Entity's compliance with this Compliance Plan is conducted in accordance with the Act.</p> <p>In accordance with the Act and any applicable ASIC policy, the CO must ensure—</p> <ul style="list-style-type: none"> an audit of the Responsible Entity's compliance with this Compliance Plan is conducted within three months of the end of the financial year of the Scheme the auditor of the Compliance Plan has a right of access at all reasonable times to the books of the Scheme the CO, or any other officer of the Responsible Entity appointed for this purpose, provides the auditor with any information or explanations the auditor may require and otherwise assists in the conduct of the audit, and the auditor's report on the Responsible Entity's compliance with this Compliance Plan is lodged with ASIC at the same time as the financial statements and reports in respect of the Scheme are to be lodged with ASIC. 	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Review of compliance plan auditor's annual	The compliance plan auditor's report is not	Moderate	The CO must ensure the compliance plan auditor's report is considered by the Board at its next meeting after the auditor issues the report.	Annually	The CO must, in each Compliance Report, report on compliance with these procedures.

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
report.	properly considered or no steps are taken to rectify problems found by the compliance plan auditor.		The CO must notify the Compliance Committee each time an audit of the Compliance Plan has been conducted, and must provide the Compliance Committee with a copy of the audit report.		<p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p> <p>The Compliance Committee must consider the auditor's report and take whatever steps it considers reasonably appropriate to ensure any compliance breaches are rectified.</p>
Appointment of auditor by the Responsible Entity to audit the annual financial accounts of the Scheme.	A Scheme auditor is not appointed in accordance with the Act.	Low	<p>The CO must ensure a scheme auditor is appointed within one month of the Scheme being registered as required under the Act. If the office of Scheme auditor becomes vacant at any time, then the CO must ensure a replacement is appointed to fill the vacancy within a reasonable time after the vacancy occurs.</p> <p>The CO must ensure the scheme auditor's written consent to their appointment is received.</p> <p>The CO must notify ASIC within 14 days of the appointment of a scheme auditor in a form acceptable to ASIC.</p> <p>The CO must ensure an audit of the annual financial accounts of the Scheme occurs in accordance with the Act and an auditor's report is obtained.</p>	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting via the Quarterly Compliance Checklist.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Removal of auditor by the RE if they fail to meet the criteria as set out in Sect 601HH(1)(a) of the CA.	The auditor does not meet the criteria as set out in Sect 601HH(1)(a) of the CA.	Low	<p>A person is not eligible to act as the auditor of the compliance plan if the person is:</p> <ul style="list-style-type: none"> (a) an associate of the responsible entity; or (b) an agent holding scheme property on behalf of the responsible entity or an associate of an agent of that kind; (c) the auditor of the responsible entity's financial statements. <p>The auditor of the Compliance Plan and the auditor of the responsible entity's financial statements may, however, work for the same firm of auditors.</p> <p>The CO will review the eligibility of the auditor based on section 601HH(1)(a) of the Corporations Act.</p>	When applicable	<p>The CO must, in each Compliance Report, report on compliance with these procedures.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting via the Quarterly Compliance Checklist.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Periodic internal review of adherence to the content of this	Major issues of breaches are not promptly identified or	Low	The CO conducts an internal review of the Compliance Procedures on an ongoing basis to confirm that the policies and procedures set out in this Compliance Plan are operating as expected. A key objective of the internal audit is to assess	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures.</p> <p>The CO must monitor compliance with these</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
compliance plan	addressed.		the adequacy of the compliance framework and to ensure that major issues are promptly identified and addressed.		<p>procedures and must report findings to the Compliance Committee at each Compliance Committee meeting via the Quarterly Compliance Checklist.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 5 Custodian

Scope	To ensure that the Custodian meets the requirements under the Act.				
Delegate	Compliance Officer (CO), General Manager, Accounting & Treasury (GMAT), First Compliance Officer (FCO)				
Source of obligation	Responsible Entity's AFS licence Part 7 of the Act				
Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Role of Custodian	Custodian not appointed when required under the terms of the Responsible Entity's AFS licence or the Act.	Moderate	CO is required to arrange for an external custodian to be appointed to hold Scheme Property where the Responsible Entity is not authorised to hold such assets itself, or where the Responsible Entity elects to outsource the custody function to an external Custodian.	Upon appointment	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Appointment of Custodian	<p>Custodian not qualified for role, resulting in failure of service or breach of Responsible Entity's AFS licence or the Act.</p> <p>Custodian may not be in compliance with the custody agreement, the Constitution, PDS, Corporations Act and ASIC Policy Statements.</p>	Moderate	<p>CO to ensure due diligence is carried out on the Custodian prior to appointment to ensure that the Custodian meets all regulatory, financial and organisational requirements, including the Custodial Standards. CO to consult with Responsible Entity's lawyers if necessary.</p> <p>The CO will conduct an adequate due diligence process, which may include:</p> <ul style="list-style-type: none"> External audit certification that the internal controls of the Custodian are operating effectively. <p>On establishment, the FCO will ensure that the Custody Agreement provides that;</p> <ul style="list-style-type: none"> The RE is entitled to request for any documentation from the Custodian for review to ensure that the Scheme's assets are held in accordance with the custody agreement and the Corporations Act. The Custodian must report to the RE immediately if there are changes that affect the identification or segregation of the Scheme's assets or the Custodian's qualifications to act as a Custodian 	Upon appointment	<p>The CO must, in each Compliance Report, report on compliance or otherwise with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
			<p>under the Corporations Act or ASIC.</p> <ul style="list-style-type: none"> The RE outlines a formal review system of the Custodian's performance on an annual basis. 		
Monitoring the Custodian to ensure that it is acting in accordance with the Custody Agreement	The Custodian does not act in accordance with the Custody Agreement	High	The GMAT is responsible for ensuring that the RE provides a reconciliation of the project agency bank accounts (which identifies Scheme property and the correct allocation to projects) for the Custodian to compare against its own records.	Semi-annually	<p>The CO must, in each Compliance Report, report on compliance or otherwise with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Confirming that in holding assets of the Scheme the Custodian meets the requirements of the Responsible Entity's AFS licence and the Act.	The assets of the Scheme are not held by a suitably qualified custodian, in contravention of the Responsible Entity's AFS licence and the Act.	High	<p>The CO is responsible for the following functions:</p> <ul style="list-style-type: none"> Identify the requirements for appointing an external Custodian under the Responsible Entity's AFS licence and the Act. If necessary, then the CO must consult the Responsible Entity's lawyers for advice on the Custodial Standards. Ensure the Custodian meets the Custodial Standards for the duration of its appointment to hold assets on behalf of the Scheme. If the Custodian ceases to meet the Custodial Standards, then the CO must ensure the Responsible Entity arranges for the Scheme Property to be transferred to a properly qualified Custodian immediately. 	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 6 Safe keeping and segregation of Scheme Property

Scope	<p>Ensure Scheme Property is—</p> <ul style="list-style-type: none"> clearly identified as Scheme Property, and held separately from property of the Responsible Entity and property of any other scheme.
Delegate	General Manager, Accounting & Treasury (GMAT), Grower Management Services Supervisor (GMSS), First Compliance Officer (FCO)
Source of obligation	<p>Section 601FC of the Act</p> <p>ASIC Regulatory Guide 132</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
<p>Ensure Scheme Property is—</p> <ul style="list-style-type: none"> clearly identified as Scheme Property, and held separately from property of the Responsible Entity and property of any other scheme. 	<p>Scheme Property is mixed with that of the Responsible Entity or other schemes and cannot be separately identified.</p> <p>Custodian does not meet service level agreement requirements affecting level of service to the Growers.</p>	High	<p>Holdings of Scheme Property are reconciled monthly to the records of the Custodian (if one has been appointed) and reviewed by the FCO. Exceptions are followed up by the FCO with the Custodian as soon as they are detected.</p> <p>The FCO must review on an annual basis the controls which the Custodian has in place to ensure it meets the Custodial Standards.</p> <p>The FCO must also obtain an annual report from the Custodian which states—</p> <ul style="list-style-type: none"> the Custodian has complied with the service level agreement the Custodian has met the Custodial Standards for the year, and the controls which the Custodian has in place have operated effectively throughout the year. <p>Due diligence is performed by the FCO and Board approval is obtained before appointing an external Custodian.</p> <p>Procedures include ensuring terms of service level agreement address ASIC Regulatory Guide 133 and the Constitution.</p>	<p>Monthly</p> <p>Annually</p>	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
			<p>The GMAT must ensure the following:</p> <ul style="list-style-type: none"> The Application Money will be held in the Trust Account until it is applied in accordance with the Constitution and the Scheme Documents (in which case it ceases to be 	<p>Upon appointment</p> <p>Monthly during the offer period and random checks</p>	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
			<p>Scheme Assets).</p> <ul style="list-style-type: none"> The Trust Account will be reconciled to the accounting records, which are reconciled back to the Grower Investor database records. Proceeds will be banked into a separate bank account (Agency Account) established as per the Constitution until such time as the Proceeds are distributed to Growers pursuant to the Constitution. The Agency Account will be held in the Custodian's name and will denote clearly that the Scheme Assets are owned by, or on behalf of, the Grower. Scheme Assets held in the Agency Account must be reconciled at any time against the database report, and formally reconciled monthly. <p>Note: The Scheme Assets will not be combined with the assets of any other scheme operated by the RE.</p> <ul style="list-style-type: none"> Upon receipt of any Proceeds (besides Application Monies), details of the proceeds, the planting year, and the related Scheme will be entered into a separated Project Ledger maintained by the RE. 		<p>procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
			<p>The GMSS must ensure the following:</p> <ul style="list-style-type: none"> Upon receipt of an application for Lots, details of the Scheme, the Application Money, the Grower, the Lots and other information are entered into a database. Hence, reports can be produced from the database any time with these precise details. Application money is banked into a separate bank account (Trust Account) established solely for this purpose as per the Constitution. <p>Note: The Trust Account is held in the Custodian's name and will denote clearly that the Scheme Assets are owned by, or on behalf of, the Grower.</p> <ul style="list-style-type: none"> 	<p>Monthly during the offer period and random checks</p>	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
The Lots and Trees are not Scheme Assets under the Constitution. However, steps are taken to identify and separate the Lots and Trees belonging to each Scheme.	The Lots and Trees belonging to each Scheme cannot be separately identified.	Moderate	<p>Details of each Grower's lots, the planting year and the related Scheme are entered into a database maintained by the RE to ensure segregation of the Grower's lots of the Scheme from other Schemes.</p> <p>Note: The trees allocated to each Grower will be identified by reference to a map of the Orchard delineated into allotments, called Lots.</p>	Monthly during the offer period and random checks	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 7 Valuation

Scope	To value the Scheme Property when appropriate as required under the Corporations Act.
Delegate	First Compliance Officer (FCO), General Manager, Horticulture (GMH)
Source of obligation	Section 601FC of the Act Scheme Constitution clause 10

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Arranging for a suitably qualified valuer to value the Scheme Property in accordance with the Constitution and in accordance with industry practice in relation to the particular asset.	Responsible Entity is not aware of the real value of Scheme Property and cannot make properly informed decisions, such as calculating unit prices and insuring the Scheme Property.	High	<p>The FCO must ensure that a valuation of Scheme Property is carried out when required under this Compliance Plan and the valuation report is provided to the Board.</p> <p>The GMH must ensure the following:</p> <ul style="list-style-type: none"> • Will ensure that the Strategic Alliance Partners prepare an annual post harvest reconciliation report; • Will provide a summary of the report to the Compliance Committee indicating variations and explanations to PDS yields and forecast yields pre harvest. 	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
At a minimum, the Scheme Property must be valued as required under the Corporations Act.	<p>Breach of the Constitution and the Act.</p> <p>Current data on the value of the lots (which has a direct impact on the projected rates of return from the respective horticulture crop) is not maintained.</p>				

Scope	Collect and calculate correctly all income due to the Scheme.
Delegate	General Manager, Accounting & Treasury (GMAT), Grower Management Services Manager (GMSS), Compliance Officer (CO)
Source of obligation	Section 601FC of the Act Constitution clause 12 and 13

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Collect, calculate and record correctly all income due to the Scheme.	Not all income is collected or accounted for resulting in a loss of income.	High	<p>The GMAT must ensure the following:</p> <ul style="list-style-type: none"> Any investments made by the RE using monies held in the Agency Account must fall within the definition of "Authorised Investments" in the Constitution. Any income earned on monies in the Trust Account and Agency Account will be reported on bank statements and reconciled monthly by the RE. 	Quarterly	Any breach of the RE's investment powers must immediately be dealt with as per Compliance Procedure 19. The GMAT must, in each Compliance Checklist report on compliance (or otherwise) with these procedures.
Collection of Annual Payments from Growers	Consistent and fair procedures are not in place in the event of default in payment by a Grower.	High	<p>The GMSS must ensure the following:</p> <ul style="list-style-type: none"> Invoices must be issued to Growers 30 days prior to the due date for any payment. <p>The GMAT must ensure the following:</p> <ul style="list-style-type: none"> Credit control procedures will be applied equally to all Growers if payment is not received by the due date. The procedures will require the RE to explain the consequences of non-payment and the RE's rights upon Grower default. <p>The CO must ensure the following:</p> <ul style="list-style-type: none"> The Monthly Project Arrears Report must be tabled in the quarterly Compliance Committee Meeting. <p>The FCO must ensure the following:</p> <ul style="list-style-type: none"> Provide the Compliance Committee with information to support the CPI escalation. <p>Note: The initial cost of acquiring an interest in the Scheme is fixed by the Constitution. Ongoing costs are also set out in the PDS and the Constitution and will be escalated by a specified CPI based formula.</p>	<p>Quarterly</p> <p>Quarterly</p> <p>Annually</p>	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 9 Fees and expenses

Scope	Payment of Scheme-related expenses including fees to the Responsible Entity.
Responsible officer	General Manager, Accounting & Treasury (GMAT), First Compliance Officer (FCO) and Compliance Officer (CO)
Source of obligation	Section 601FC of the Act Constitution clause 26.

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
<p>Payment of Scheme-related expenses and fees payable to the Responsible Entity.</p> <p>The RE has sufficient funds to carry out its management duties for the Scheme continuously throughout the life of the Scheme.</p>	<p>Expenses and management fees paid are not valid or are overpaid.</p> <p>The RE has insufficient funds to carry out its management duties for the Scheme.</p>	High	<p>The GMAT must ensure the following:</p> <ul style="list-style-type: none"> All fees and expenses due to the RE are paid into the Scheme's accounts in accordance with the Constitution and PDS. Expense reimbursements are appropriately allocated by the Custodian and paid to the Responsible Entity The Responsible Entity is only reimbursed from the Scheme for expenses incurred in the proper performance of the Responsible Entity's duties in respect of the Scheme. Records of expense reimbursements are maintained. <p>The GMAT and FCO must ensure the following:</p> <ul style="list-style-type: none"> Any fees and expenses, not paid directly out of Growers' own funds, must be calculated in accordance with the Constitution and PDS. Monitor the RE's financial capability to meet its obligations under the Management Agreement. Any foreseen difficulties must be immediately reported to the Board, which will determine the remedial action to be taken. 	Monthly OR at the time of distribution to Growers	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 10 Applications, distributions and transfers

Scope	To ensure applications, distributions and transfers are processed in a timely manner, application money is protected before it becomes Scheme Property, and application money is invested in the correct Scheme at the correct price.
Delegate	Grower Management Services Supervisor (GMSS), General Manager, Accounting and Treasury (GMAT), Compliance Officer (CO), First Compliance Officer (FCO)
Source of obligation	Section 601FC and 601GA of the Act

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Procedures on applications and application money.	<p>Application money may be lost before it becomes Scheme Property.</p> <p>Applications may not be processed in a timely manner.</p> <p>Applications may be incorrectly processed, so that the units issued to the applicants are incorrect or are issued at an incorrect price.</p>	High	<p>The GMSS is responsible for the following functions:</p> <ul style="list-style-type: none"> • Upon receipt, the application forms are checked for completeness and details are then entered into the database. Accurate application money received must be banked within 24 business hours. • Provided sufficient land is available, completed applications for Lots together with the accurate application money are accepted in the order that they are received. • Missing, incomplete or incorrect application forms are sent back to the applicant for amendment and resubmission. Application money is deposited in the application money Scheme account until the corrected application is received. • Where finance is applicable, the application form must be accompanied by a loan application. • Details of the Grower are entered into the Growers' Register in accordance with the Constitution and the Corporations Act. • A letter of acknowledgement will be sent to the Growers within 48 hours of processing the application. • A confirmation notice is sent to the Growers within 30 days of processing the application, as per the Corporations Act. • Statements must be sent to the Growers within the time limit specified in the Constitution. 	During the offer period	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
			<p>The GMAT is responsible for the following function:</p> <ul style="list-style-type: none"> All application money is held in the Trust Account in accordance with the Constitution until the Growers become a party to the Scheme documentation. The application money is then applied in payment of moneys due to TSL under the Scheme documentation. <p>The FCO is responsible for the following functions:</p> <ul style="list-style-type: none"> Based on the date of acceptance of each application, appropriate schedules are prepared comprising details of the Growers and annexed to the agreements for execution. The agreements are then stamped and securely filed in the RE premises. <p>Note: All scheme and project documentation is prepared by the RE's legal department and settled by its external lawyers (Where applicable).</p>		
Procedures on calculating income and distribution amounts	Distributions to growers are not calculated correctly or in an untimely manner	Medium	<p>All distributions are approved by the GMAT and representatives from the Operations – Horticulture, Forestry (where applicable) and Corporate Finance teams respectively.</p> <p>Note: Compliance approval is required only on a 1st distribution.</p> <p>The GMAT is responsible for the following function:</p> <ul style="list-style-type: none"> Sufficient proceeds have been received and the deduction from such proceeds for fees payable under the various Scheme documents is reasonable and in accordance with the Constitution. Ensure that the methodology used in determining the amounts of distribution are appropriate and correct. Ensure that distributions are paid to the Growers concerned within the time limits prescribed by the Constitution and by Law. 	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
			<ul style="list-style-type: none"> Check that sufficient proceeds from the sale of the Lots have been received from the Strategic Alliance Partners in accordance with the Management Agreements and are recorded and banked. Deductions from such proceeds for fees payable under the various Scheme Documents are reasonable and in accordance with the Constitution. 		
Procedures for transfers and transmission of growers' interests	Growers' interests are not transferred or transmitted in accordance with the requirements of the Constitution.	Medium	<p>Note: While the RE does not recommend transfers or assignments of interests in the Scheme, it will provide pro forma instruments of transfer that comply with the Constitution and the Scheme documentation on an exceptions basis.</p> <p>The FCO is responsible for the following functions:</p> <ul style="list-style-type: none"> Upon receipt, check the instrument of transfer / transmission application to ensure that it complies with the Constitution. Upon acceptance, the RE will issue an amended lot statement to the transferee within the time limit specified in the Constitution. 	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
The Scheme documents are properly prepared, executed, stamped and archived securely.	Incomplete or misplaced scheme documents.	High	<p>The FCO is responsible for the following functions:</p> <ul style="list-style-type: none"> Based on the date of acceptance of each application, ensure that appropriate schedules are prepared comprising details of the Growers and annexed to the agreements for execution. The agreements are then stamped (as necessary) and securely filed. 	On close of offer period	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 11 Record keeping and disclosure / Disaster Recovery Plan

Scope	To ensure proper records are kept, IT and accounting systems are secure, and there is an adequate disaster recovery plan.				
Delegate	Chief Information Officer (CIO), Compliance Officer (CO), General Manager, Accounting & Finance (GMAT)				
Source of obligation	ASIC Regulatory Guide 132 Constitution clause				
Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Correctly record and explain transactions, financial position and performance, enabling true and fair financial statements to be audited and correct tax returns submitted.	Incorrect or insufficient records resulting in qualified audit report.	Moderate	The CO must ensure that all documents in relation to Compliance are retained. These documents include Compliance Checklists, Compliance Committee Meeting material, audit reports and ASIC correspondences.	Quarterly	The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately. The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting. The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.
Ensure records are maintained for a minimum of seven years.	Penalty payments resulting from incorrect tax returns.		All records are stored electronically for at least seven years and are readily accessible.		
Ensure that accounting records of the Scheme are adequate.	Tax information to Growers is insufficient.		The GMAT ensures the following functions: <ul style="list-style-type: none"> The accounting records of the Scheme will be kept on a separate computer based general ledger system and that a full audit trail is available to support each transaction. Confirms annually that all relevant accounting standards have been complied with during the year. 		
IT and accounting systems used by the RE are secure and meets the operational requirement of the Scheme.	Weak controls may result in the IT and accounting systems not meeting the operational requirements of the Scheme.	High	The CIO ensures the following functions: <ul style="list-style-type: none"> All computer systems are secured by a password. The head office network is also protected by a Netscreen Firewall. A User ID and Password is required to access any of the computers. All software and license agreements are held in a secure place. All computer data is backed up to data tape and stored offsite daily. The tape will be taken on a weekly basis and stored away from the RE's premises. 	Quarterly	The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately. The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting. The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
			<ul style="list-style-type: none"> A full system backup will be undertaken on a periodic basis using Commvault. 		
The RE has implemented a plan for ensuring its ability to resume operations if a disaster occurs (eg: a computer system failure)	Inability to resume operations if a disaster occurs.	High	<p>The CIO ensures the following functions:</p> <ul style="list-style-type: none"> All files (including program and database files) are saved onto the Storage Area Network, which in turn is backed up on tape each night using Commvault. The tapes (apart from the nightly backup) are taken offsite by Databank, the tape management company. The program and database files can be retrieved from the backup tape and run on compatible hardware and applications software should the system fail. 	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 12 Capital, liquidity and insurance

Scope	The Responsible Entity and its service providers maintain adequate capital, liquidity and insurance as required by the Act and the AFS licence conditions.
Delegate	Compliance Officer (CO), General Manager, Horticulture (GMH)
Source of obligation	ASIC Regulatory Guide 166 Responsible Entity's AFS licence conditions

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
The Responsible Entity and its service providers maintain adequate capital, liquidity and insurance as required by the Act and the Responsible Entity's AFS licence conditions.	<p>Breach of AFS licence conditions.</p> <p>Delay in payments to Growers due to insufficient funds.</p> <p>Responsible Entity has insufficient funds to compensate the Scheme for loss from negligent administration or fraud by its officers or agents.</p>	High	<p>The CO ensures that the following functions are complied with:</p> <ul style="list-style-type: none"> Obtain confirmation monthly from Timbercorp Ltd that it maintains its eligible provider status [RG166. 165]. The Board annually reviews the adequacy of insurance cover. Monitor the amount and terms of all the insurance policies (including Professional Indemnity Insurance Policy and Public Liability Insurance Policy) at least annually and ensure that any minimum insurance requirement for the RE under its AFS license or the Corporations Act is covered. Annually obtain confirmation from the Board that insurance cover has been reviewed. <p>The GMH must ensure that any proposed service provider or Strategic Alliance Partner maintains adequate insurance so as to minimize the risk of financial loss to the Scheme.</p>	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 13 External service providers (including Strategic Alliance Partners)

Scope	To ensure only properly qualified and skilled external service providers (including Strategic Alliance Partners) are engaged by the Responsible Entity.
Delegate	General Manager, Horticulture (GMH)
Source of obligation	Section 601FB of the Act ASIC Regulatory Guide 132

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
<p>Carry out adequate due diligence when appointing external service providers (including Strategic Alliance Partners).</p> <p>Monitor providers to ensure they comply with contractual obligations and service level agreements.</p>	<p>Procedures may break down due to poor service from external providers resulting in loss to the Responsible Entity and Growers.</p>	Moderate	<p>The GMH must ensure the following functions:</p> <ul style="list-style-type: none"> Carry out adequate due diligence enquiries, including reference checks on the proposed Strategic Alliance Partner, to evaluate its ability to provide the relevant service prior to entering negotiations. Ensure that the operational systems and internal compliance and control procedures of the Strategic Alliance Partner provide adequate information on and meet the operational requirements of the Scheme. Review the terms of any agreement to be entered into with a Strategic Alliance Partner to ensure that the terms are appropriate for the desired outcome, having regard to the nature of the Scheme and the importance of the Scheme to the contractual service being offered and seek legal advice where necessary. Require that the Strategic Alliance Partner report periodically to the RE on the progress of its activities and demonstrate that it is fulfilling its legal and contractual duties. The frequency and nature of the reporting will be outlined in the written agreement between the RE and the service provider. Evidence that the Strategic Alliance Partners maintain adequate insurance must be reported on an annual basis. All the above procedures in respect of the Strategic Alliance Partner must be tabled to the Compliance Committee via the GM-Horticulture Quarterly Compliance Checklist. Contracts with the external service providers (including Strategic Alliance Partners) must be referred to the RE's legal advisers for review, except for contracts of a minor nature. 	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 14 Training and recruitment

Scope	To ensure the Responsible Entity has a system of training and recruitment which ensures staff are familiar with the Compliance Plan, only appropriate people hold positions of trust and key staff are competent to perform their roles.
Delegate	Compliance Officer (CO)
Source of obligation	ASIC Regulatory Guides 132 and 133

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Staff recruited are competent and receive sufficient training to enable them to perform their duties and to be familiar with the requirements per the Compliance Plan.	<p>Staff do not have the skills necessary to competently perform their duties.</p> <p>Key staff have specific knowledge that is lost if they leave the employment of the Responsible Entity.</p>	Moderate	Competence of both new and existing staff members is examined. New compliance staff are required to have appropriate industry experience. Senior compliance staff must be appropriately qualified with relevant and considerable industry experience. The CO is responsible for ensuring the qualifications of new recruits for the compliance team are checked.	As and when required	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Staff recruited are competent and receive sufficient training to enable them to perform their duties and to be familiar with the requirements per the Compliance Plan.	Representatives of TSL are not adequately trained and competent to provide financial services.	Moderate	The CO will conduct an internal review of the compliance requirements completed by its Authorised Representatives, including retention of Financial Services Guides and provision of checklists.	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
			The CO will conduct a compliance session on TSL's legal obligations relating to the Scheme relevant to the duties of that particular person. All relevant staff will be required to participate.	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
					non-compliance to the Board.
			<p>During the time the scheme is open for subscriptions, assess the competency levels of its representatives as to their knowledge of:</p> <ul style="list-style-type: none"> • Their compliance obligations in providing the financial advice; • The nature of the interests offered by the scheme including risks and benefits associated with those interests. 	Where applicable	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 15 Promotion of Scheme, Disclosure and Reporting to Growers

Scope	Offer Documents for lots in the Scheme must comply with the disclosure requirements of the Act and provide the Responsible Entity with the maximum protection available under the law and the due diligence defences.
Delegate	First Compliance Officer (FCO), General Counsel (GC), General Manager, Accounting & Treasury (GMAT), Corporate Communications Manager (CCM)
Source of obligation	Chapter 5C and Part 7.9 of the Act ASIC Regulatory Guide 46

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
<p>Offer Document for units in the Scheme must comply with the disclosure requirements of the Act and ASIC policy and provide the Responsible Entity with the maximum protection available under the law and the due diligence defences.</p> <p>Ensure all non-regulated marketing and promotional material is complete, accurate and in accordance with the Act.</p>	<p>Offer Document or marketing and promotional material is misleading to Growers.</p> <p>Action by Growers to recover losses.</p> <p>Offer document is subject to a stop order by ASIC.</p>	High	<p>The Scheme's FCO/GC and external legal advisors (where applicable) to review all Offer Documents to determine compliance with the requirements of the Act and ASIC policy (if applicable).</p> <p>A due diligence committee is established to review and verify all Offer Documents, including confirming relevant external expert sign offs are obtained.</p> <p>The due diligence committee must ensure all Offer Documents meet the disclosure principles and advertising obligations required by ASIC policy including Regulatory Guide 46.</p> <p>All marketing and promotional material must be approved by Legal and Compliance to ensure accuracy and compliance with the Corporations Act. A register of marketing and promotional material is kept by the RE, and that all such material is included in the register.</p>	As and when there is an Offer Document	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Ensure that the Scheme's financial statements are true and fair, and that continuous disclosure is made.	Financial statements are inaccurate.	High	<p>The GMAT must ensure the following functions:</p> <ul style="list-style-type: none"> Financial statements are accurate, prepared in accordance with applicable accounting standards and the Corporations Act and continuous disclosure is made. The RE complies with its obligations relating to financial reporting to Growers under Part 2M.3 of the Corporations Act. Provide evidence of half yearly and yearly financial statements of the Schemes lodged with ASIC. 	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
					obligations and if appropriate, then report instances of non-compliance to the Board.
Ensure that disclosure and reporting to the Growers is relevant and not false, misleading or deceptive.	Irrelevant, false, misleading and deceptive disclosure and reporting to Growers.	High	<p>The CCM must ensure the following functions:</p> <ul style="list-style-type: none"> • Ensure that all reports to Growers are checked by at least one director. • The content of all reports to the Growers must be supported by evidence in the possession or knowledge of the RE. • The reports to Growers must be sent within 4 months of the Financial Year Ending 30 June, each year. 	Annually in the Dec quarter	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 16 Monitoring AFS licence and authorised representatives

Scope	Ensure the Responsible Entity complies with its AFS licence conditions at all times and ensures the AFS licence remains current.
Delegate	Compliance Officer (CO)
Source of obligation	Chapter 7 of the Act Responsible Entity's AFS licence conditions

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Ensure the Responsible Entity complies with its AFS licence conditions at all times and ensures the AFS licence remains current.	AFS licence is suspended or revoked.	High	<p>The CO must ensure the Responsible Entity complies with the conditions of its AFS licence. The Responsible Entity maintains separate compliance procedures to ensure compliance with the terms of its AFS licence, which include the following:</p> <ul style="list-style-type: none"> Holding adequate professional indemnity insurance (ASIC Regulatory Guide 126). Risk management system is in place which includes an analysis of the relevant risks to the business. <p>The Responsible Entity meets the financial requirements to operate the Scheme and its annual financial statements and audit reports are lodged with ASIC within the time specified.</p>	Annually	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Ensure that only qualified and suitable authorised representatives are appointed to provide financial services.	<p>AFS licence is suspended or revoked.</p> <p>Clients suffer loss as a result of the services provided by authorised representatives.</p>	High	<p>Prior to the appointment of any authorised representative, the Responsible Entity must be satisfied the proposed representative is suitably qualified and experienced. The Responsible Entity may consider resume, references, ASIC database searches, criminal history checks etc to determine the suitability of the proposed authorised representative.</p> <p>All external authorised representatives will be required to execute an Authorised Representative Agreement to acknowledge the standard terms governing the prospective appointment, which include adherence to the requirements of the Corporations Act, ASIC policy and TSL's Compliance Manual.</p> <p>All authorised representatives who provide financial product advice to retail clients must be compliant with ASIC Regulatory Guide 146.</p> <p>All authorised representatives must receive adequate training each year. The CO must maintain a register recording details of this training. The register must record the type of training, who attended and when training was conducted.</p>	<p>As and when applicable</p> <p>Annually</p>	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 17 Related party transactions

Scope	To ensure a financial benefit is not given to the Responsible Entity or a related party unless approved by the Board and disclosed to Growers.				
Delegate	First Compliance Officer (FCO) / General Counsel (GC), Compliance Officer (CO), General Manager, Accounting & Treasury (GMAT)				
Source of obligation	Sections 601LA, 601LB and 601LC of the Act ASIC Regulatory Guide 132				
Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
To ensure a financial benefit is not given to the Responsible Entity or a related party unless approved by the Board and disclosed to Growers.	Growers suffer loss. Damage to reputation of the Responsible Entity and Scheme.	Low	If the FCO/GC believes a transaction may constitute a related party transaction, then they must report this to the Board as per the Due Diligence Process. Appointment of related parties will be documented in an agreement between the RE and the related party, and must contain the appropriate termination provisions.	As and when applicable	The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately. The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting. The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.
Keeping a register of related parties.	Transactions involving related parties may breach the above procedure if a party is not readily identifiable as a related party.	Low	The CO must ensure a register of related parties is kept by the Responsible Entity, reviewed quarterly and tabled at the quarterly Compliance Committee meeting. The CO must ensure the register of related parties is up-to-date and must be available for inspection by any Grower and the auditors of the Compliance Plan.	Quarterly	The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately. The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting. The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.
Information that flows between companies within a group is appropriately protected.	Transactions and records are allocated to the inappropriate entities within the	Low	The GMAT is responsible for apportioning or allocating transactions and records to the relevant entities within the group. Note: Staff are educated on keeping certain activities and records of different companies	Quarterly	The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately. The CO must monitor compliance with these

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
	group		separate. Specific staff who perform tasks for more than one company in the group receive precise instructions on how to separate those tasks and the information relating to those tasks.		procedures and must report findings to the Compliance Committee at each Compliance Committee meeting. The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.
All decisions to use a related party service provider is on an arm's length basis and in the best interests of the Scheme.	Financial benefit comes out of or could endanger scheme property.	High	<p>If any transaction with a related party is proposed to be entered in respect of the Scheme, as part of the Due Diligence process, the FCO is responsible for the following functions:</p> <ul style="list-style-type: none"> • Provide details of the terms of the proposed transaction to the Compliance Committee; • Determine whether the proposed transaction involves the giving of a financial benefit either to TSL or its related parties; • Determine whether the financial benefit comes out of or could endanger scheme property; • Determine and appoint the appropriate third party evaluation and/or verification required to establish that the transaction is on arms length terms having regard to the circumstances; • Confirm that the proposed terms are in accordance with third party evaluation and/or verification. • All agreements between TSL and the related party must contain appropriate termination provisions. 	<p>As and when applicable</p> <p>Annually</p>	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 18 Complaints

Scope	To ensure complaints by Growers and other parties are handled in a manner consistent with the Act, Constitution and the Responsible Entity's AFS licence conditions.
Delegate	Compliance Officer (CO)
Source of obligation	Constitution clause 30

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Handling complaints in a manner consistent with the Act, Constitution and AFS licence conditions.	Complaints are not adequately addressed and are escalated to litigation. Breach of AFS licence and Constitution.	Low	A complaints officer must be appointed in accordance with the Constitution.	Annually	The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.
			All complaints must be recorded in a complaints register and must be investigated and responded to by the complaints officer as per the internal complaints handling procedure.		
			The internal complaints handling procedure must be reviewed annually to ensure it remains in accordance with the Australian Standard. Any proposed changes must be approved by the Compliance Committee.		
			All complaints must be recorded in the RE's database noting the details of the grower, the nature of the complaint and the procedures taken in response to the complaint. The Complaints Register must be tabled at the quarterly compliance committee meeting.	Quarterly	The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting. The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.
			If the complaint relates to the complaints officer, then the company secretary must handle the complaint. The person handling the complaint must ensure the provisions of the Constitution relating to complaints by a Grower are followed, including the obligations to—		
			<ul style="list-style-type: none"> acknowledge the complainant within seven days of the complaint being made, and include certain information in the response to the complainant. 		
			The RE is a member of an approved external complaints handling body in accordance with the conditions of its AFSL. Complainants must be informed of the Responsible Entity's membership with any external complaints handling body and invite the complainant to go to the complaints handling body if they feel the complaint has not been adequately resolved.	Annually	
			Staff of the Responsible Entity must be trained in the complaints handling procedure.		
			The CO must keep a register of staff trained in complaints handling procedures. This register must be updated regularly and at least once a year. The CO must ensure new staff receive appropriate training.		

Compliance Procedure 19 Recording breaches

Scope	This procedure sets out the arrangements the Responsible Entity has to ensure the CO and Compliance Committee monitor the extent to which the Responsible Entity complies with this Compliance Plan, and that they report to ASIC any breaches of the Compliance Plan, AFS licence conditions or the Act where they believe the Responsible Entity is not dealing with these breaches.
Delegate	Compliance Officer (CO), General Manager, Horticulture (GMH)
Source of obligation	Section 601JC of the Act

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Breaches of the Act, the Constitution, and Responsible Entity's AFS licence conditions and industry or internal standards are identified, reported and rectified.	Refer to risks of non-compliance set out in the preceding compliance procedures. Refer to section 2.2 (b).	High	<p>Breach reports are required for all breaches as per the internal breach policy.</p> <p>All breaches must be reported to the CO immediately.</p> <p>The CO prepares a sequentially numbered Breach Report listing each reported breach, detailing its nature, its significance, whether it is systematic or an isolated event and any remedial action taken. The pro forma Breach Register in Appendix 7 and the pro forma Breach Register Summary in Appendix 8 are examples only.</p> <p>The Breach Register and the Breach Register Summary are presented to the Compliance Committee quarterly.</p> <p>Breach Reports remain open until the chairman of the Compliance Committee has signed the report as closed.</p> <p>Breach Report files are reviewed each month by the CO to ensure sequential numbering is complete and that all reports closed in the previous month have been signed by the chairman of the Compliance Committee.</p> <p>All breaches are reviewed to determine whether the source of the breach will likely cause other breaches in the future. A report recommending action is given to the Compliance Committee.</p>	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Breaches with external service providers (including Strategic Alliance Partners) are appropriately dealt with.	Refer to risks of non-compliance set out in the preceding compliance procedures. Refer to section 2.2 (b).	High	<p>The GMH must ensure that the Board and/or the Compliance Committee take any of the following actions (where applicable) :</p> <ul style="list-style-type: none"> • Serve a default notice to the service provider; • Terminate the agreement with the service provider as per the termination provisions of the agreement; • Take enforcement action if the service provider's default has resulted in economic loss to the Scheme; and • Call for tenders for a replacement service provider and appoint a replacement service provider. 	As and when applicable.	As above.

Compliance Procedure 20 Investment Risks and Safeguards

Scope	To ensure that there is ongoing monitoring and compliance with the various Management Agreements, Management Plans and Sales & Marketing information via monthly and quarterly reports, availability of water at all times via effective and efficient irrigation, monitoring of market conditions wherein fluctuations in the market and industry conditions may affect the Schemes and regular valuation of lots as it has a direct impact on the projected rates of return from the respective crops.
Delegate	General Manager – Horticulture (GMH), First Compliance Officer (FCO), General Manager, Accounting & Treasury (GMAT)
Source of obligation	The Scheme Constitution

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Ongoing monitoring of Contractors (including Strategic Alliance Partners).	Non compliance of the Strategic Alliance Partners as per various Management Agreements and Management Plans	High	<p>The GMH is responsible for the following functions:</p> <ul style="list-style-type: none"> Receiving and reviewing monthly and quarterly reports provided by Strategic Alliance Partners to Timbercorp related entities. Maintain and update the register of Water Entitlements. Monitor market and industry trends and perform research and development. Liaise with other industry participants and adjoining land owners. 	Quarterly	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>
Security of tenure	Outgoings and charges on land not paid; Landowner grants interests which are inconsistent with Growers' rights.	High	<p>The FCO is responsible for the following function:</p> <ul style="list-style-type: none"> The landowner does not grant any rights or interests to any party which are inconsistent with Grower's rights. <p>The GMAT is responsible for the following function:</p> <ul style="list-style-type: none"> All outgoings and charges on the land are paid. 	Quarterly	As above
Changes in laws	No monitoring of changes in laws that may affect the Scheme.	High	The FCO is responsible for monitoring all changes to legislative requirements (in addition to taxation and Native title laws), as they affect the Scheme.	Quarterly	As above

Compliance Procedure 21 Conflicts of Interest

Scope	To ensure that any potential conflicts of interests caused by the RE, its affiliates or directors owning interests in the Scheme are properly managed.
Delegate	Compliance Officer (CO)
Source of obligation	Chapter 2D and Section 601JJ of the Corps Act

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
The RE has implemented effective measures to manage any actual or potential conflicts of interest that may arise.	RE has not implemented adequate procedural measures to fulfil this obligation.	High	<p>The CO is responsible for the following functions:</p> <ul style="list-style-type: none"> Review the Conflicts of Interest Policy. Advise all directors, responsible officers, second compliance officers and members of the Compliance Committee to disclose any interests that they (or their associates) hold in the Scheme and any potential conflicts that may arise. Establish and maintain a register recording all reported conflicts and potential conflicts which must be tabled at each quarterly Compliance Committee meeting. Resolve the conflict, or if unable to do so, report the conflict to the Compliance Committee. The Compliance Committee may refer the matter to the Board or obtain independent expert advice to resolve the conflict and determine what action should be taken. 	<p>Annually</p> <p>Quarterly</p> <p>Quarterly</p>	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Compliance Procedure 22 Winding Up the Scheme

Scope	Where the Responsible Entity ensures that: <ul style="list-style-type: none"> The Scheme is terminated as and when required under the Constitution and the Corporations Act; and The Scheme is wound up, its assets realised and a final distribution made to Growers, after discharging all liabilities of the Scheme, in accordance with the Constitution and the Corporations Act.
Delegate	First Compliance Officer (FCO)
Source of obligation	Constitution Corporations Act

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Ensuring that the Scheme is terminated as and when required under the Constitution and the Corporations Act. Ensuring that the Scheme is wound up, its assets realised and a final distribution made to Growers after discharging all liabilities of the Scheme in accordance with the Constitution and the Corporations Act.	The RE does not terminate the Scheme as and when required by the Constitution and the Corporations Act. The RE does not comply with the requirements of the Constitution and the Corporations Act when winding up the Scheme.	High	The FCO is responsible for the following functions: <ul style="list-style-type: none"> The Scheme is terminated as and when required under the Corporations Act; and The Scheme is wound up, its assets realised and a final distribution made to Growers, after discharging all liabilities of the Scheme, in accordance with the Constitution and the Corporations Act. 	On termination of the Scheme	The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately. The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting. The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.

Compliance Procedure 23 Selection of Land

Scope	To ensure that suitable land is selected and that adequate title over that land is secured for the life of the Scheme.
Delegate	First Compliance Officer (FCO)
Source of obligation	AFSL

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
Land is property identified, appropriate for the use to which it will be put, has access to water for irrigation purposes, is not affected by any encumbrances which will adversely affect the Scheme or the Growers, not subject to any possible native title claims or any consents/approvals which the Landowner cannot satisfy by the date of the commencement of the Scheme.	<p>The land is not suitable for the Scheme resulting in poor yields.</p> <p>The land area is too small to accommodate the project.</p> <p>The land title is lost, resulting in a loss of the crop on that land.</p>	High	<p>The FCO is responsible for the following functions:</p> <ul style="list-style-type: none"> A title search must be obtained confirming that the lessor is, or is entitled to be registered, as the proprietor of the land. The description, nature and type of the land referred to in the PDS are in accordance with physical inspections of the land. Ensure that a due diligence inspection is carried out on the land by horticultural experts (surveyors, soil analysts, irrigation consultants and crop orchard experts) who are able to assess the suitability of the land for the use proposed by the Scheme, prior to the purchase of the land. Reports are obtained from the relevant horticultural experts for inclusion in the PDS. Confirmation is obtained from the appropriate government department that water rights are attached to the land and the amount available for pumping, and any other relevant searches are undertaken. TSL complies with conditions 25 - 27 of the License by ensuring that the Lease of land used in the Scheme is lodged for registration under the State land titles law in which the land is situated in its name and beneficially in the course of and in accordance with its duties as responsible entity. The Lease is registered as soon as possible after lodgement and in such a way that it cannot be adversely affected by any existing or subsequent mortgagee, secured creditor or transferee. Any mortgagee, chargee or encumbrancee of the land has agreed in writing that the Growers' interest in the leased area takes priority and until the termination of the Scheme, they will not do anything that would be detrimental to the Growers' interest in the leased area. Any existing or future mortgagee, chargee or encumbrancee of the land 	On establishment of a Scheme	<p>The CO must, in each Compliance Report, report on compliance with these procedures. If urgent action is required to remedy a compliance breach, then the CO must inform the Board immediately.</p> <p>The CO must monitor compliance with these procedures and must report findings to the Compliance Committee at each Compliance Committee meeting.</p> <p>The Compliance Committee must assess compliance with these obligations and if appropriate, then report instances of non-compliance to the Board.</p>

Activity	Risk	Risk Category	Procedures	Frequency	Monitoring or Rectification
			<p>has agreed in writing that the Growers' interest in the leased area takes priority and until the termination of the Scheme, they will not do anything that would be detrimental to the Growers' interest in the leased area.</p> <ul style="list-style-type: none"> • Obtain independent legal confirmation that such proposed dealing will not adversely affect Grower's rights, before consenting to any proposed dealing with the land. • In relation to any Crown land, TSL (in conjunction with the Scheme's lawyers) must undertake the necessary investigations to satisfy itself that no native title claims are pending or are likely to arise during the term of the Scheme. • The Landowner does not grant rights or interests to any party which are inconsistent with Growers' rights. • Ensure that a copy of the Due Diligence Committee report is given to the Compliance Committee. • Certify to the Compliance Committee that TSL has complied with its obligations under the Head Leases and the Sub-Leases and that there are no breaches under this agreement. 		

