

**WOODPANELS INTERNATIONAL PTY LTD'S DUE DILIGENCE
PROCEDURE FOR ENSURING THAT ITS WOOD PURCHASING
ACTIVITIES MEET THE REQUIREMENTS OF THE AUSTRALIA'S
ILLEGAL LOGGING PROHIBITION ACT, 2012**

INTRODUCTION

These procedures shall be followed to ensure that the company does not buy and sell wood products from controversial and/or illegal sources as defined by *Australia's Illegal Logging Prohibition Act, 2012*

1. To avoid the accidental purchasing and sale of wood products which may come from, or include raw material from “controversial sources”, the company shall always buy:
 - a. “certified wood products” from only FSC® and PEFC™ certified suppliers; and
 - b. non-certified wood products from suppliers certified by accredited and or recognized third party entities as to the legal origins of the wood products.
2. If requested, the Company shall provide as “Proof” FSC® and PEFC™ certificates from certified suppliers, as well as evidence from suppliers attesting to the legal origins of their wood products.
3. For the purposes of this Due Diligence Policy, wood products from “controversial sources” include wood products:
 - which have been obtained from forest activities that do not comply with local, national or international legislation or laws;
 - which have come from countries that are under United Nations’ sanctions restricting or preventing the export/import of such forest based products;
 - where the proceeds from their sale are used to support conflict or civil war i.e. “conflict timber”;
 - where the forestry activities for their production threaten biodiversity conservation;
 - where the forestry activities for their production has involved the conversion of forest to other vegetation type, including conversion of primary forests to forest plantations;

- which have been produced from forests areas set aside for the protection of high environmental and cultural values;
- which have come from forest areas set aside for the protection of endangered species, including species protected under CITES;
- where their production affects adversely the health and working conditions of forest workers;
- where their production affects adversely the property, tenure and use rights of indigenous peoples;
- where their production affects adversely the property, tenure and use rights of third parties;
- where their production have involved non-payment of taxes and royalties;
- where their production does not comply with legislation or laws of the country of harvest relating to trade and customs, in so far as the forest sector is concerned; and
- from forests where genetically modified forest based organisms have been used.

INFORMATION GATHERING

WoodPanels International Pty Ltd shall always ask the intended supplier (s) to provide the following information related to all its wood products purchases, and provide this information in a timely manner to its customers if they ask for it:

- information that will help to identify the wood products such as their trade name and type;
- the name (s) of the tree species included in the wood products including their common and scientific names;
- the country or countries where the trees for the wood products were harvested including sub-national region and/or concession of harvest; and
- the names and contact details of each supplier.

RISK ASSESSMENT

To the extent possible, the Company shall buy and sell wood products from only FSC® and PEFC™ certified companies who are able to supply a valid certified claim with FSC® or PEFC™ recognised certificate.

In relation to non-certified products, the Company shall buy and sell wood products from only companies who are able to provide a valid third party endorsed evidence that the wood products come from approved legal sources.

PRODUCTS LISTED IN CITES APPENDICES I, II, AND III

If the company buys wood products originating from threatened and endangered species classified by the Convention on International Trade in Endangered Species (CITES), WoodPanels International Pty Ltd shall comply with applicable international, European and Australian legislation relating to CITES. As a minimum, the Company shall ensure that all purchases involving CITES species are accompanied by appropriate CITES approved export certificates.

FOR AND ON BEHALF OF WOODPANELS INTERNATIONAL PTY LTD

A handwritten signature in black ink, appearing to read 'Kwame Asumadu', written in a cursive style.

Dr. Kwame Asumadu

Director

30th April 2015