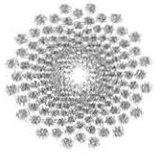


DAVID these are duplicate copies  
which I never signed in 2015  
as I have exactly the same with  
where to sign !!



The Reforestation  
Group

Regards  
Bernard Ellis

Mr Bernard Stephen Ellis,  
7 Fairway Close,  
Churston-Ferrers,  
South Devon,  
TQ5 0LG

Tuesday, 6 January 2015  
Ref: Land Rights Certificate

Dear Mr Ellis,

Thank you for completing the paperwork required to register you with your plots, ?

Please find enclosed in this letter your Land Rights Certificate, Plantation Management Agreement and your folder of important documents,

Please sign one copy of the Plantation Management Agreement and return to the following address,

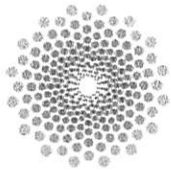
Compliance  
Suite 151,  
5 Liberty Square,  
Kent,  
ME19 4AU

Planting has already started on your plots and your trees are growing ahead of schedule, you will be sent details of this in our next newsletter.

Should you have any questions or queries please don't hesitate to contact us on 08006906405.

Sincerely,

Steve Everhard  
Director



The Reforestation  
Group

Mr B Ellis  
7 Fairway Close,  
Churston-Ferrers,  
South Devon,  
TQ5 0LG  
UNITED KINGDOM

Received  
21.7.17

Friday, 7 July 2017

Ref: FAZENDA BOA SORTE

Dear Mr Ellis,

Please find attached our latest newsletter covering activities on our farm and some insight into the current economic climate in Brazil as it affects our activities there.

The farm is progressing well but the market price is currently depressed as growing demand is being swamped by over supply. The good news is that we have plenty of time for the market to turn towards us and in the meantime we'll continue to steward the plantation for the best possible outcome.

We expect to have another update for you towards the end of the year.

Sincerely,

Steve Everhard  
Director

THE

REGISTRATION GROUP

a company duly registered in the jurisdiction of Grand Cayman  
Company Registration No. AM0271922

-6.9.10.11-

Certifies that

Bernard Ellis has been granted a beneficial right in

accordance with an executed Land Rights Agreement over Four Shares of

the property known as:

Fazenda Boa Sorte located in Margem Esquerda do Siquape  
Praia, in the municipality of Capita, Povo, Brazil

By Order of:

*[Signature]*

Chief Executive

Date: 24th April 2014



# EUCALYPTUS PLANTATION MANAGEMENT AGREEMENT

This **EUCALYPTUS PLANTATION MANAGEMENT AGREEMENT** (this "Agreement") dated this 22nd day of April 2014 (the "Effective Date") is made and entered into by the parties:

1) **TOPO FLORESTAL PRODUÇÃO E PLANTIO DE MUDAS LTDA** a corporation organised and existing under the laws of **Brazil** which principal place of business is at **Avenida Brasil, no 403, Vila Novo Horizonte, Ipixuna do Pará – PA, CEP: 68637-000, Brazil**, (the "Management Company").

2) **The Reforestation Group Limited**, a corporation organised and existing under the laws of **The Cayman Islands** which principal place of business is at **Landmark Square, 1st Floor, 64 Earth Close, PO Box 715, Grand Cayman, KY1-1107**, ("Operator")

3) And **Bernard Stephen Ellis of 7 Fairway Close, Churston-Ferrers, South Devon, TQ5 0LG** (the "Customer").

The Management Company, Operator and Customer are sometimes referred to herein individually as "Party" and collectively, the "Parties".

For plantation and exploitation of Eucalyptus trees by the Management Company on the Plot(s) on which the Customer holds beneficial rights. The Plot(s), as of the Effective Date, contains the number of acres and the type of crop/vegetation, as follows:

**ACRES CROP/VEGETATION FOUR Hectares Raw land**

## 1 Definition under this Agreement

The definitions apply to this Agreement, except insofar as is otherwise specified or where the context requires otherwise:

**"Agreement"** means this Agreement.

**"AMS"** means the "Associação Mineira de Silviculture"

**"Base Rate"** means the current rate used by the Management Company and conveyed to the Customer based on the average figures from the sale of Eucalyptus wood in the state of Para and Minas Gerais over the past 12 months and reported by AMS.

**"Crop"** means either Eucalyptus planted by the Management Company under the terms of this Agreement.

**"Delivery"** means Delivery of the Crop to an approved processor

**"Dispute"** means where parties engage in opposing views, claims or rights regarding the application of the Agreement.

**"Domestic Market"** means the markets where the plantation is located.

**"Eucalyptus"** means planted Eucalyptus and defined by sub species as *E. Urophylla*, *E. Urograndis* or *E. Grandis*.

**"Effective Date"** means the date of the signatories to this Agreement

**"Plantation Project"** means Cycles of planting, maintaining, developing and harvesting the Crop

**"Services"** means the growing and maintenance guidelines set out in this Agreement, supplies and stock to be used to deliver the services and harvest the Crop.

**"Service Fee"** means payments for the Services provided by the Management Company plus any local taxes, withholdings and charges imposed by the local or national government, itemised and presented transparently.

**"Supplies"** means nutritional supplements, fertilizers, weed killers, pest killers and other agents the Management Company will use in growing the Crop.

**"Significant Adverse Effect"** means –

(a) That the domestic demand for Eucalyptus or Crop products is substantially less than expected at the date of execution of this Agreement; or

(b) The domestic price of the Crop is (or must become in order to remain competitive with the price of imported Eucalyptus wood or Crop products) substantially less than at the date of execution of this Agreement.

(c) That the Base Rate differs at point of sale from the assumed rate due to any of the other adverse effects.

**"Term"** means a period of seven years from the Effective Date or until complete harvest and sale of the Crop, whichever is sooner.

**Timber/wood Stumpage Sale:** A price on the estimate weight associated with standing timber.

## **2 Relationships between the Parties**

The Customer, the Operator and Management Company are independent parties. No party will make any warranties or representations or assume any obligations on the other party's behalf. Nor will either claim to be a representative, partner, joint venture, franchisee, agent or employee of the other party except as explicitly stated in this Agreement.

## **3 Qualifiers**

In this Agreement, headings and highlighted text are for convenience only and do not affect the interpretation of this Agreement, unless the context otherwise requires:

- (a) Words importing the singular include the plural and vice versa. (b) Words importing a gender include any gender.
- (c) An expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency.
- (d) A reference to a clause, recital, party, annex, exhibit or schedule is a reference to a clause of, and a recital, party, annex, exhibit and schedule to, this Agreement and a reference to this Agreement includes any annex, exhibit and schedule hereto.
- (e) A reference to anything (including, but not limited to, any right) includes a part of that thing but this does not mean that performance of part of an obligation is performance of the obligation.
- (f) A reference to a document includes all amendments or supplements to, or replacements or notations of, that document.
- (g) A reference to a party to any document includes that party's heirs, administrators, successors and permitted assigns.
- (h) Other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning.
- (i) No provision of this Agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Agreement or that provision.
- (j) A covenant or Agreement on the part of 2 (two) or more persons binds them jointly and severally.
- (k) A reference to liquidation includes official management, appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, assignment for the benefit of creditors, scheme, arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death.

## **4 Operative Part of the Agreement**

It is hereby agreed after careful consideration of the mutual promises contained in this Agreement.

(a) The Operator services under this Agreement will be as follows –

- (i) Report annually the Management Company progress to the Customer.
- (ii) Liaise with the Management Company on behalf of the Customer and, through its agent, New World Carbon Limited, report back to the Customer.
- (iii) Pay the monies required by the Management Company on behalf of the Customer for the services under this Agreement.
- (iv) Return the proceeds of harvests received from the Management Company to the Customer under the terms of this Agreement, less specific fees and commissions.



(v) For the avoidance of doubt, the Operator obligation under this Agreement does not extend beyond the express written obligations set out in this Agreement. Failure to comply with the terms under this Agreement by either party will result in the early termination of this Agreement as understood by both parties.

(b) The Management Company liabilities under this Agreement will be as follows-

(i) The Management Company will furnish all labor and equipment necessary to perform the plantation and exploitation of Eucalyptus trees from the monies received from the Operator.

(ii) The Management Company from the monies received from the Operator will be used to furnish all labor, seedling, planting stock, other necessary goods and

services as well as conduct wood product marketing services required to perform the duties under this Agreement.

(iii) Management Company shall act as the exclusive Eucalyptus Tree grower on the Plot, and it shall devote such time, skill and efforts to the performance of its duties as required caring for the Eucalyptus Plantation operation on the Plot in accordance with accepted tree plantation practices in Para State, Brazil.

(c) The terms of this Agreement shall commence on this day and shall continue in full force and effect thereafter until the end of the Term or subject to early termination as defined in clause 14 below. All proceeds received by the Management Company from the sale of the wood within the Domestic Market will then be returned the Operator for onward transfer to the Customer minus the Service Fee and any additional fee agreed with the operator.

(d) This Agreement shall be governed by the laws of the Para State and country of Brazil and constitutes the entire Agreement between the parties regarding its subject matter and in reference to the aforementioned forestry unit numbered in this Agreement. Legal re-course from the failure of the Management Company to meet their obligations under this Agreement will be the sole responsibility of the Management Company whilst failure of the Operator to meet their obligations under this Agreement will be the sole responsibility of the Operator.

(e) The Management Company guarantees that it will perform its duties in full as stated. In the event that the Crop is damaged by any failure of the Management Company to fulfill its obligation under this Agreement, the Management Company shall repair or replace such damaged stock, unless the damages arising out of i) injury, disease or damage to any tree by a third party, or ii) damage or failure of any harvest, which is due to wind, diseases, drought fire, or any other natural cause other than the sole negligence of the Management Company.

(f) The Customer will pay the Management Company via the Operator on commencement of this Agreement.

(g) The Customer agrees to promptly notify the Management Company in writing of any dissatisfaction with the maintenance/service to ensure that maintenance is performed as agreed.

(h) The Customer shall be notified by the Management Company by written notice of a proposed Timber Sale Agreement and of the date of a proposed harvest of the produced Crop from the Plot(s) numbered 000, with the Management Company setting out the MAI and expected weight of Crop to be delivered with the expected attributed value at Base Rate. In the event the Customer doesn't pronounce about the notice for the following 30 days, it is understood that Customer has agreed with the Timber Sale Agreement terms and conditions

(i) The Management Company shall plant and maintain the entire Crop grown within the allotted area until such time as the Management Company deems its weight meets at least 150 tones of wood.

(j) For the avoidance of doubt, the plantation crop is owned by the management company prior to planting, and thence by the Customer until Timberwood/Stumpage Sale is agreed. Failure to comply with the terms under this Agreement by either party will result in the early termination of this Agreement as understood by both parties.

## **5 Service Fee**

The Service Fee is levied at the commencement of the contract and covers the provision of all of the Services from the period extending from initial Plot preparation to the end of the Term. The fee shall be £4,000 per Hectare and shall be paid by the Operator on behalf of the Customer.

## **6 Supplies**

The Management Company at its sole cost from the monies received from the Operator and after careful consideration between all of the parties involved will supply, maintain, harvest, market and deliver the Crop as seen reasonably necessary, and at an appropriate standard, to maintain the allotted area used in accordance with the services under this Agreement.

## **7 Services**

The Management Company at its sole cost from the monies received from the Operator will also provide for:

- (a) Fertilizers
- (b) Professional assistance in the form of supervision and advice relating to the management, care and growing of the Crop.
- (c) Disease prevention and pest control assistance. (d) Employees.
- (e) The purchase of seedlings.
- (e) Planting.
- (f) Fire prevention and fire break upkeep.
- (g) Husbandry.
- (h) General maintenance.
- (i) Marketing
- (k). The sale of the standing timber
- (l) Monitoring harvesting operations

As is reasonably necessary for the Management Company to produce the Crop in accordance with this Agreement.

## **8. Timber/wood Stumpage Sale**

(a) On the sixth year of the plantation, subject to the minimum predicted yield of 150 tones of wood per Hectare, the Management Company shall identify purchasers who agrees to pay for the wood based on stumpage sale method, which means the estimate value associated with standing timber. Under instruction from the Customer, the Management Company will sign the Timber Sale Agreement with the purchaser who offers the best price and shows good standing and reputation in timber harvesting.

(b) The Timber Sale Agreement will clearly define conditions of the timber sale, the responsibilities for performance, the harvest terms, expenses, responsibilities, its term, the price and its payment. The harvest also shall comply with all federal, state and local regulations. For the avoidance of doubt, the purchaser identified in the Timber Sale Agreement cannot be the Customer or any entity directly controlled by the Customer.

(c) Management Company, by a forester, shall designate the harvest area, provide the measurement and volume estimation of trees to be harvested which shall not be less than 150 tones of wood per Hectare for the first cycle, the layout of skid trails, landing sites, permitting, and supervision on all harvest process.

d) During the harvest the wood crop shall be weighted by a certified weighbridge or scale to weigh, gross or tare the vehicle that will be used to collect the Crop.

(e) Immediately following the harvest and or processing of the Crop, the Management Company shall provide the Customer with a record of the numbers and weights of the harvested Crop, and the difference on the price received or deducted based on the estimated value established in the Sale Agreement and the real weight of the crop.

Management Company shall not be liable for any Significant Adverse Effect on the Base Rate.

(f) The Timber Buyer shall be liable for any damage to the Plot(s) incurred during harvesting due negligence and imprudence.

## **10 Acceptance of Crop**

(a) The Customer shall be deemed to have accepted all harvested Crop collected at the time the buyer has entered into the Timber Sale Agreement with the Management Company.

## **11 Record keeping**

At the completion of each harvesting operation the Management Company shall provide to the Customer an end of operation summary, as soon as possible after the completion of the harvesting operation, and in any event within 30 (thirty) days of that event. The end of operation summary shall include the breakdown of each component of the completion of the harvesting operation delivered under the Timber Sale Agreement.

## **12 Facilities and Operating Standards**

(a) The Management Company shall provide plantation facilities for the planting and maintenance of the crop and will maintain the plantation facilities in accordance with acceptable industry operating standards within the parameters of all applicable state and federal legislation, including without limiting the generality of any Environmental legislation, during the Term of this Agreement.

(b) The Management Company will use reasonable care and skill to plant, raise and maintain the Crop in accordance with this Agreement including the provision of labor, other supplies and management services, and act in accordance with the Laws of the Para State, Brazil. Prior to effecting any change to these operating standards, the Management Company covenants with the Customer to discuss such changes and to provide the Customers written notice of any change to the operating standards.

(c) The Customer shall carry out any other activities and take necessary action where needed to plant and maintain the Crop.

## **13 Plot(s) Access**

(a) The Management Company shall permit an agent or employee of the Customer to access the Plot(s), upon reasonable advance notice for the purpose of inspecting the Eucalyptus and complying with the obligations under this Agreement.

(b) It shall be a condition of access to the Plot(s) that any employees and/or other representative of the Customer comply with the then current Workers Compensation Act, the Employment Standards Act, the Producers Operating Standards and the directions of the Operator and Management Company representatives.

## **14 Dispute Resolution**

(a) If a Dispute arises out of/ or relates to this Agreement (including any Dispute as to breach or termination of the Agreement or as to any claim in tort, in equity or pursuant to any statute) a party to the Agreement may not commence any court or arbitration proceedings relating to the Dispute unless it has complied with the following paragraphs of this clause except where the party seeks urgent interlocutory relief.

(b) A party to this Agreement claiming that a Dispute ('the Dispute') has arisen under or in relation to this Agreement must-

(i) Give written notice to the all parties to this Agreement specifying the nature of the Dispute.

(ii) On receipt of that notice ('the Notice') by that other party, the parties to this Agreement ('the parties') must endeavor in good faith to resolve the Dispute expeditiously by negotiation between persons who have authority to settle the dispute and who are at a higher level of management than persons with direct responsibility for the administration of the operative effects of this Agreement.

(c) If, for any reason whatsoever, after fourteen (14) days of the receipt of the Notice, the Dispute has not been resolved-

(i) Either party may notify the other that it desires the assistance of an independent person, or persons, to assist in the resolution of the Dispute.



(ii) The parties must endeavor in good faith to resolve the Dispute expeditiously by using assisted informal Dispute resolution techniques such as mediation, conciliation, neutral evaluation or binding or non binding expert determination or similar techniques agreed by them.

(iii) If the parties do not agree within fourteen (14) days of receipt of the Notice (or such further period as agreed in writing by them) as to the Dispute resolution technique and procedures to be adopted, the timetable for all steps in those procedures and the selection and compensation of the independent person or

persons required for such technique, the parties must mediate the Dispute in accordance with the rules set down by the independent person and the parties, and determine their remuneration. The parties agree that any independent person in such Dispute resolution acts as an expert and not as an arbitrator. All communications concerning negotiations made by the parties arising out of and in connection with this clause are confidential, and, to the extent possible shall be treated as 'without prejudice' compromise and settlement negotiations for the purpose of applicable rules of evidence.

(d) In the event that the Dispute is not resolved either party has the right to insist upon a further mediation and/or arbitration process under state law.

(e) If the Dispute is still not resolved after the application of clauses (a) - (d) above, and only then, the parties may each:

Terminate the Agreement and Dispute resolution process by giving the other notice in writing

And/or commence legal proceedings

The obligations under this clause survive the expiry or termination of this Agreement.

IN WITNESS HEREOF the said parties have hereunto set their hand and seal the day and year first written above.

SIGNED SEALED AND DELIVERED



Signed by:  
On behalf of the Management Company



Signed by:  
On behalf of the Operator

Signed by: Customer



The  
Reforestation  
Group

Bernard Ellis  
7 Fairway Close,  
Churston-Ferrers,  
South Devon, TQ5 0LG  
UNITED KINGDOM

30th September 2014

**Ref:** FAZENDA BOA SORTE

Dear Mr Ellis,

I personally apologise for the time it has taken us to communicate with you. Please be assured that we have been busy on your behalf resolving an issue relating to farm soil quality. I am pleased to say that we have been moving ahead to clear and plant, and due to the abnormally good soil conditions on this part of the farm we fully expect planting to yield higher than expected volumes of timber for the region.

This short note is to welcome you to Reforestation Group's Brazilian forestry projects and to include the final versions of the Land Rights Agreement dated to your initial investment date. Please sign both copies, retain one for your records and return the second to:

Mark Hutchins  
Compliance Officer  
New World Forestry Limited  
Suite 151, 5 Liberty Square  
Kings Hill  
Kent ME19 4AU

Enclosed is a welcome letter from your chosen Management Company who will update you as development of the land progresses through the various phases of preparation, planting and the approach to harvest. We are available to you for any questions you may have but please direct them through your agent or to New World Forestry to ensure that we provide the best possible service.

We look forward to a long and prosperous relationship

Sincerely,

Steve Everhard  
Director



Bernard Ellis  
7 Fairway Close,  
Churston-Ferrors,  
South Devon, TQ5 0LG

22nd May 2014

Dear Mr Ellis

We are pleased to hear of your investment in the Eucalyptus project. We would like to introduce ourselves. We are Topo Florestal, a management company that will be managing your planting and project for the next seven years.

The planting phase of the project is expected to take place over the next 120 days, where the soil will be enriched with fertilisers and nutrients, and after this phase the Eucalyptus tree seedlings will be planted. For the first two years of seedlings in the ground they will be monitored constantly for performance and nutrients adjusted if necessary to maximise growth.

After the first two years we will have at least one member of our staff on site constantly, monitoring your trees performance and protecting your investment.

Why are we the best for such a project?

At Topo Florestal we value our People, the Environment, Innovation and Success.

**People:** We demonstrate our commitment to our people by making safety and physical well-being the first priority of every job at all times behaving honestly in all our dealings with each other showing respect for each other regardless of the work we do, the positions we hold or the opinions we express, recognising the contributions that individuals and teams make.

**Environment:** We demonstrate our commitment to the environment by ensuring our forestry practices meet or exceed environmental standards, laws and regulations, obtaining and maintaining sustainable forestry practices certification from national and international agencies that are recognised monitors of such practices, acknowledging that environmental protection is an essential condition of our social license to operate.

**Innovation:** We demonstrate our commitment to innovation by encouraging everyone at all levels to challenge the status quo to ensure we are operating as effectively as possible and embracing change, adopting new ways of doing things and fostering a culture of continuous learning nurturing creativity and an entrepreneur attitude to develop and implement leading edge strategies adopting technological advantages that increase our efficiency.

**Success:** We demonstrate our commitment to success by providing a competitive return on investment to our clients focusing intently on meeting or exceeding the needs of our customers working cooperatively with communities in which we operate, working hard and as a team to meet our common goals, maintaining our position as an industry leader.



Forest Management: Forest Management is related to the management and monitoring of activities related to production processes within the forest sector. As forest managers we operate actively in decision making institutions of the contractor in order to promote the development of strategies that enable the profitability and also sustainable development. Forest managers complete actions to plan, analyse, diagnose, manage and propose solutions to the many issues involved in the production processes.

We at Topo Florestal will be happy to assist in all matters relating to the management of The Reforestation Group Ltd Eucalyptus Plantation. We recommend your communication with us continue through The Reforestation Group for best fascination.

Sincerely

Silvio Marques Da Silva  
Operations Manager



The  
Reforestation  
Group

Landmark Square  
1st Floor  
64 Earth Close  
PO Box 715  
Grand Cayman  
KY1-1107

Land Rights Agreement

**Private and Confidential**

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**THIS AGREEMENT** is made the 22nd day of May 2014

**BETWEEN:**

- (1) **REFORESTATION GROUP LIMITED** of Landmark Square, 1st Floor, 64 Earth Close, PO Box 715, Grand Cayman KY1-1107 (the **Company**); and
- (2) **Bernard Stephen Ellis** of 7 Fairway Close, Churston-Ferrers, South Devon, TQ5 0LG, UNITED KINGDOM (the **Client**).

**BACKGROUND:**

- (A) The Company has received from the Client a duly completed Reforestation Land Request Form with supporting documentation.
- (B) The Company owns under exclusive Lease from the Freeholder Brazilian farm land (the Property as defined below), and the Client wishes to purchase and the Company wishes to sell, as part of its services, the beneficial rights to share in the interests and profits generated from of a distinct parcel or parcels of the Property (the Plot(s) as defined below).
- (C) The Client wishes to procure the Services (as defined below) and Company has agreed to provide them.

**IT IS AGREED** as follows:

**1. INTERPRETATIONS AND DEFINITIONS**

- 1.1. The definitions and rules of interpretation in this clause 1 apply in this Agreement.

**Agreement** means this agreement.

**Confidential Information** means all matters related to the business of the Company including its suppliers' names, agents' names, customers' names and all other related information.

**Client** means the co-signatory to this Agreement and includes its representatives.

**Crop** means an arable crop set out in the Schedule to be planted on the Plot(s).

**Effective Date** means the later of the date of this Agreement and the date that the Purchase Price is received by the Company in cleared funds.

**Freeholder** means Carbano Novo Mundo a company incorporated in Brazil with of registered office address AV. BRASIL, 403 VILA NOVO HORIZONTE, IPIXUNA DO PARÁ, PA, 68.637-000.

**Harvest Period** means each period of seven years unless otherwise agreed between the parties, the first such period commencing on the Effective Date.

**Information Memorandum** means the information memorandum of the Company as amended from time to time.

**Lease** is the lease of the Property granted to the Company by the Freeholder dated 1st August 2012 and expiring on 31st July 2042.

**Management Company** means the land manager appointed by the Client from time to time with the prior written agreement of the Company to perform planting, maintenance and harvesting on the Plot(s) as defined in their Plantation Management Agreement.

**Net Profits** means:

- the proceeds of sale of the Crops harvested from the Plot(s) less all taxes, levies, duties and the costs relating to such sale, including transportation costs and the costs of harvesting the Crops; plus

- any additional income arising from the Plot(s); less
- relevant costs before calculating or paying the Profit Share, including the Service Fee, insurance fees etc.

**Plot(s)** means a parcel or parcels of the Property identified in the Schedule.

**Property** means the Brazilian farm land owned by the Company under the Lease known as “FAZENDA BOA SORTE”, for the property located in Margem da Travessa do Abacate in the municipality of Aurora do Pará - PA CEP: 68.658-000 in the State of Pará, to the coordinates of DATUM: WGS84 – W: 47:43:59,08 - S: 02:17:37,01.

**Prohibited Persons** means persons:

- prohibited under the laws of any country by reason of being a minor or having no legal capacity (for whatever reason) or otherwise unqualified to be a party to a contract;
- who are undischarged bankrupts or who have been imprisoned or found guilty of any criminal offence (other than a motoring offence carrying a non-custodial sentence);
- who have been proven to act in a fraudulent or dishonest manner in any civil or criminal proceedings; or
- who are resident in a country subject to any international restriction or embargo including, but without prejudice to the generality of the foregoing those imposed by the Security Council of the United Nations, the European Union and the United Kingdom.

**Profit Share** means 5% of the Net Profits arising from time to time and due to the Company.

**Purchase Price** means the price paid by the Client to the Company as set out in the Schedule.

**Reforestation Land Request Form** is the land rights request form of the Company as amended from time to time.

**Services** has the meaning set out in clause 3.

**Service Fee** means the fees due to the Management Company appointed by the Client and paid via the Company.

**Term** means a date 21 years from the **Effective Date** or the completion of the **Harvest Period**, whichever is later.

**Termination Fee** is a payment by the Company to the Client on surrender of this **Agreement** at the end of the **Term**.

**Trust** is a disposition of property to a person (trustee) or persons jointly (trustees) in whom the legal title then vests in the confidence that the benefits will be applied to the advantage of one or more other persons (beneficiaries) or some other object permitted by law

- 1.2. References to statutory provisions, regulations or notices shall include these provisions, regulations or notices as amended, extended, consolidated, substituted or re-enacted from time to time.
- 1.3. Reference to Clauses are to clauses of this Agreement and headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.4. References to a **party** or to the **parties** are references to the parties to this Agreement.
- 1.5. The Schedule to this Agreement forms part of it.

- 1.6. Words **“include”** and **“including”** shall not limit the preceding words.
- 1.7. All obligations and undertakings of the Client under this Agreement shall include an obligation to procure the same from the Client’s heirs or beneficiaries should this Agreement be in force during succession, whether through demise or through execution of a power of attorney.

## **2. THE APPOINTMENT**

The Client hereby appoints the Company with effect from the Effective Date until its appointment shall be terminated in accordance with clause 10 and the Company hereby accepts such appointment and agrees to provide the Services and to assume the obligations set out in this Agreement.

## **3. COMPANY OBLIGATIONS**

- 3.1. In consideration for the Purchase Price paid to the Company, the Company agrees to:
- 3.1.1. grant the beneficial right to the Client to share in the Net Profits, less the Profit Share;
  - 3.1.2. grant the right to the Client (and the Management Company on the Client’s behalf), to plant, maintain and harvest the Crop on the Plot(s);
  - 3.1.3. provide annual reports to the Client on the status of the Crop;
  - 3.1.4. provide reasonable assistance to the Client in the appointment of a Management Company and liaise with the Management Company on behalf of the Client in coordinating the planting, maintenance and harvesting of the Crop;
  - 3.1.5. assist the Client with the transportation and sale of the Crop; and

- 3.1.6. provide recommendations and such other information that is reasonably requested by the Client, to enable the Client to perform its obligations under this Agreement,
- 3.1.7. Pay the Service Fee to the Management Company, defined in their Plantation Management Agreement, on behalf of the Client;
- 3.1.8. Pay the Termination Fee at the end of the Term on surrender of the Agreement.

all the above together are the **Services**.

- 3.2. The Company affirms and attests that it holds an exclusive right from the Property Freeholder to issue this Agreement, and that the Property is proven to be legally held by the Freeholder with full title and without third party encumbrance.

#### **4. CLIENT OBLIGATIONS**

- 4.1. The Client agrees that it shall:
  - 4.1.1. appoint a Management Company throughout any Harvest Period for the purpose of planting, maintaining and harvesting the Crop, and shall provide fifteen days written notice to the Company prior to the appointment of any replacement Management Company;
  - 4.1.2. on or shortly after the Effective Date, plant the approved Crop on the Plot(s) and replant the Plot(s) with the approved Crop at the end of each Harvest Period until the end of the Agreement;
  - 4.1.3. consent to the harvesting of the Crop at the end of each Harvest Period;
  - 4.1.4. promptly provide the Company with such information and instructions as necessary to enable the Company to perform the Services;



- 4.1.5. not use, exploit, develop, access, restrict access or otherwise cause anything thing to be done to the Plot(s) except as otherwise specified herein;
- 4.1.6. not place any third party encumbrance upon this Agreement or the Services for any reason whatsoever;
- 4.1.7. not use or permit the use of any herbicides, insecticides, fertiliser, soil improver, biological agent or other chemical treatment on the Plot(s) without the prior written agreement of the Company;
- 4.1.8. not to develop the Plot(s) in any other way whatsoever, to raise any structure of any kind, to exploit any mineral rights or sub-soil resources of any kind, or to limit, impede or otherwise obstruct the rights of neighbouring Plot(s) holders or impede in any way Company or the Freeholder in exercising their rights of possession of the Plot(s) and the Property;
- 4.1.9. maintain the Plot(s) and the Crop to ensure that no risk is created that might reasonably be expected to affect the yield of crops from neighbouring Plot(s);
- 4.1.10. not use, nor permit the use of, the Plot(s) or any part thereof for any illegal or unreasonable purposes; and
- 4.2. Further, neither this Agreement nor the rights contained herein may be sold, transferred or traded in whole or in part without the Company's prior written consent. Such consent will not be unreasonably withheld assuming the transferee successfully completes a Land Request Form.

## **5. WARRANTIES AND REPRESENTATIONS OF THE CLIENT**

- 5.1. The Client represents and warrants to the Company that:

- 5.1.1. it has read and understood the information relating to the purchase of the land rights as set out in the Information Memorandum;
- 5.1.2. it has read and understood the risks in relation to participating in this type of agreement;
- 5.1.3. it has obtained independent professional advice (including tax advice) prior to entering into this Agreement;
- 5.1.4. it has sufficient knowledge, expertise and experience to evaluate the risks of investing in the land rights set out herein and to make an informed decision with respect thereto;
- 5.1.5. it is aware of the risks inherent in entering into this agreement and the risks inherent in investing in the underlying Crops to be farmed, harvested and sold;
- 5.1.6. it can bear the risk of loss of its entire investment;
- 5.1.7. any taxable liability, duties, levies etc for the Client arising from the execution or operation of this Agreement shall be the sole responsibility of the Client;
- 5.1.8. it is not a Prohibited Person;
- 5.1.9. this Agreement is binding upon it and enforceable in accordance with its terms and except insofar as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting enforcement of creditors' rights or general principles of equity;
- 5.1.10. it has complied with and will continue to comply with all laws, rules and regulations or court and governmental orders by which it is bound

or to which it is subject in connection with the execution and performance of this Agreement;

5.1.11. that it has never been subject to investigation or criminal proceedings under the Proceeds of Crime Act 2002 or the Money Laundering Regulations 2007; and

5.1.12. that it has never appeared on a governmental watch list, been disbarred from holding a directorship, or is an undischarged bankrupt.

5.2. Where the Client is a Trust then 5.1.1 to 5.1.6 apply only to the Trust beneficiaries, who should countersign this Agreement. Each of the warranties provided by the Client in this Agreement shall continue throughout the term of this Agreement.

## **6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

6.1. The Company represents and warrants to the Client that:

6.1.1. it is validly existing, duly empowered and authorised to execute, deliver and perform this Agreement and to give effect to the Services contemplated hereby;

6.1.2. this Agreement is binding upon it and enforceable in accordance with its terms except insofar as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting enforcement of creditors' rights or general principles of equity; and

6.1.3. it has complied with and will continue to comply with all laws, rules and regulations or court and governmental orders by which it is bound or to which it is subject in connection with the execution and performance of this Agreement.

- 6.2. Each of the warranties provided by the Company in this Agreement shall continue throughout the term of this Agreement.

## **7. INDEMNITY AND LIMITATION OF LIABILITY**

- 7.1. The Client shall, and to the extent applicable, indemnify the Company against all actions, claims, costs, losses and damages which may arise against the Company in connection with or arising from:

- 7.1.1. any material breach by the Client of the terms of this Agreement;
- 7.1.2. the provisions of Services by the Company, except where the Company has acted with negligence, fraud or wilful default.
- 7.1.3. the use or actions of the Services by the Client contrary to written guidance provide by the Company or this Agreement;

- 7.2. To the maximum extent permissible by applicable laws, the Company expressly excludes any liability to the Client and any third parties for any damage or loss to the Client or any other person arising out of the operation of the Company and/or use of the Services by the Client except in circumstances where such loss or damage arises as a direct result of the negligence, wilful default or fraud of the Company.

- 7.3. The aggregate liability of the Company in respect of all causes of action arising out of or in connection with the Services it has provided to the Client under this Agreement (whether for breach of contract, in negligence or any other tort, under statute or otherwise at all) shall not exceed the [Profit Share] to the Company in its provision of the Services.

- 7.4. Nothing in this Agreement shall exclude or limit the liability of any party for any injury or death arising from negligence.

- 7.5. The indemnity provided in this clause 7 is without prejudice to any other indemnity in favour of the Company and the termination of Services in accordance with clause 10 herein shall not relieve the Client from indemnifying the Company.

## **8. PAYMENT OF FEES**

- 8.1. On signing this Agreement, the Client shall pay or procure the payment of, the Purchase Price to the Company by electronic transfer to any such bank account as the Company has confirmed in writing to the Client.
- 8.2. The Company shall pay an initial Service Fee to the Management Company appointed by the Client. Each subsequent Harvest Period within
- 8.3. The Company shall pay to the Client all Net Profits, within thirty days of the successful sale of the Crop, less the Profit Share due to the Company.
- 8.4. All payments under this agreement shall be in Pounds Sterling.
- 8.5. Unless otherwise agreed in writing with the Client, the Client will not be entitled to any interest accruing on any money held by the Company for the benefit of the Client.

## **9. CONFIDENTIALITY AND PRIVACY**

- 9.1. The parties agree that Confidential Information may be obtained, directly or indirectly, during the performance of this Agreement.
- 9.2. The Client undertakes not to use or disclose Confidential Information in whatever form, without the prior written consent of the Company, unless required to do so in writing by a court of competent jurisdiction in which case the Client must inform the Company *contemporaneously* that such disclosure has been made.

- 9.3. The Company collects personal information and personal data when the Client communicates with it, and the Client acknowledges and agrees that the Company may use this personal data and information to facilitate supplying the Services, and from time to time to provide to the Client information, reference notes, guidelines, advice and marketing materials relating to the Services, and to providing such other information to the Client as the Company may from time to time wishes.
- 9.4. The Company shall protect personal information and personal data of the Client from unauthorised access, use or disclosure and except where permitted in this Agreement, the personal information and personal data collected is used only for these purposes and it is never sold, lent, leased or otherwise distributed outside of the Company otherwise in accordance with clauses 9.3 and 9.6..
- 9.5. The Client accepts that its personal information and personal data may be transferred to countries that do not provide adequate protection of data in accordance with applicable data protection legislation including Article 26 (1) of the EU Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data.
- 9.6. The Company reserves the right to treat the obligations of confidentiality and privacy in this clause as not applicable and may divulge confidential information, personal information and personal data when they are obliged to by a court of competent jurisdiction.

## **10. TERMINATION OF SERVICES**

- 10.1. The Agreement shall terminate at the end of the Term except as otherwise provided below.
- 10.2. The Client may terminate this Agreement with at least 30 days prior written notice before the end of any Harvest Period. Following termination all the Client's rights



to subsequent crops or Services shall immediately cease and return to the Company, and no compensation shall be due to the Client. Sums due to the Client up to the date of termination shall remain payable.

- 10.3. The Company will notify the Client if an agreed planting or harvesting date has not been met in full or other material terms or warranties in this Agreement are breached by the Client. Should the Client fail to remedy the breach within 30 days of written notice to do so then this Agreement will terminate immediately and all accrued rights to Crops or Services shall return to the Company, and no compensation shall be due to the Client.
- 10.4. Despite termination of this Agreement, clauses 7 (indemnity and limitation of liability), 9 (confidentiality and privacy), and this clause 10 (termination of services) shall continue in full force.

## **11. INTERPRETATION**

- 11.1. In offering and providing the Services, the Company does not, nor is it to be interpreted as though it does in any way sanction, advocate or condone directly or indirectly the commission of any unlawful act or omission by any person or company in any jurisdiction or that the Services be utilised in any way whatsoever for any illegal or fraudulent purpose.

## **12. CHANGE OF CONTROL**

A change of control of either party to this Agreement shall have no effect on this Agreement.

## **13. NOTICE**

All notices required to be delivered under this Agreement shall be effective only if in writing and shall be delivered personally or by registered mail, postage prepaid, return receipt requested, or by facsimile. Notice shall be deemed given when

received by the party to whom notice is required to be given. For the avoidance of doubt, communications by email shall not be valid notices under this Agreement.

**14. SURVIVAL**

The provisions of this Agreement shall survive the termination of this Agreement with respect to any events occurring or matter arising while this Agreement was in effect.

**15. AMENDMENT OR MODIFICATION**

Except as otherwise provided herein, this Agreement may not be amended or modified except by the written consent of all of the parties.

**16. MISCELLANEOUS**

- 16.1. This Agreement supersedes all prior terms of business and agreements whether oral or written with respect to such subject matter.
- 16.2. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- 16.3. No waiver of any provision of this Agreement shall be effective unless the same shall be made in writing by the party seeking to grant such waiver and acknowledged in writing by the other party.
- 16.4. Nothing in this Agreement shall create or be deemed to create a relationship of landlord and tenant, or employment, partnership or joint venture between the Company and the Client.
- 16.5. If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and

the remainder of the provisions hereof shall continue in full force and effect as if this Agreement had been executed with the invalid illegal or unenforceable provision eliminated.

- 16.6. In the event of a holding of invalidity so fundamental as to prevent the accomplishment of the purpose of this Agreement, the parties shall immediately commence good faith negotiations to remedy such invalidity.

17. **FORCE MAJEURE**

- 17.1. Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations, provided that if the period of delay or non-performance continues for six months, the party not affected may terminate this Agreement by giving fourteen days' written notice to the other party.

- 17.2. The Company shall not be liable for any damage caused to the Crops and Plot(s) by acts of God, flood, earthquake, windstorm or other natural disaster.

18. **COUNTERPARTS**


This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one original instrument.

19. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the English Law without regard to the principles of conflicts thereof. The parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction

to decide and to settle any dispute or claim arising out of or in connection with this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement this 7th day of January, 2014.

<b>SIGNED for and on behalf of the</b> <b>Reforestation Group Limited</b>	<i>Signature</i>  <i>Director</i>
	<i>Print name</i> <b>Steve Everhard</b>

<b>SIGNED by</b> <b>BERENARD ELLIS</b>	<i>Signature</i>
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## **SCHEDULE A**

20. Plot(s): the FOUR Plots of one hectare per plot as delineated in the affixed map (Schedule B) as plots 6,9,10 and 11.

21. Purchase Price: £40,000 (Forty thousand)

The Purchase Price is based on the hectare size of the Plot(s) with an agreed price of £10,000 (Ten thousand) per hectare.

22. Management Company: Topo Florestal LTDA, Rua Nossa Senhora da Conceição nº 35, Bairro Novo Horizonte, Km 88, Ipixuna do Pará, Pará, CEP: 68637-971, or such other entity as agreed from time to time in writing.

23. Crop: Eucalyptus trees in varieties proposed by your Management Company.

24. Termination payment: £16,000 (Sixteen thousand)

**This Schedule may be amended from time to time by the written agreement of the parties in accordance with clause 15 of the Agreement**

