The investments being offered are not FCA regulated investment products. They may only be offered to High Net Worth Individuals, Everyday (Restricted) and Sophisticated Investors.

By agreeing to take up these investments, you will not be eligible for regulatory protection and you may lose all your money.
Section 1

IMPORTANT NOTICE

This document (“Invitation or Invitation Document”) constitutes an invitation to subscribe for secured bonds (“Green Forestry Bonds”) issued by GIS Forestry Limited (the “Company”) a wholly owned subsidiary of Green IS Holding Company PLC on the terms and conditions set out in this Invitation.

Investors should not subscribe for any of the bonds referred to in this Invitation except on the basis of the information published in this Invitation and the instrument dated 1st July 2014 constituting the Green Forestry Bonds of the Company (the “Instrument”) set out in Section 9 of this Invitation Document.

Neither Green IS Holding Company PLC nor the Company are regulated by the Financial Conduct Authority (“FCA”). Neither are permitted to offer, nor do offer, any financial advice about investment products, be they regulated or unregulated.

This Invitation, which is a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”), is issued by the Company, which accepts responsibility for the information contained herein. This Invitation Document has been approved as a financial promotion for UK publication by Capital Alliance Partners Limited of 46 Great Marlborough Street, London W1F 7JW, which is authorised and regulated by the FCA to conduct investment business. Capital Alliance Partners Limited is registered on the Financial Conduct Authority’s Register with registration number 5053869. Reliance on this Invitation for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. We recommend that you seek your own independent advice from an appropriately qualified adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of unlisted securities.

Your attention is particularly drawn to the “Risk Factors” which are set out in Section 7 of this Invitation. Prospective Investors should consider carefully whether an investment in Green Forestry Bonds is suitable for them in the light of their personal circumstances. While Green Forestry Bonds are a secured debt of the Company, there can be no certainty or guarantee, that the Company will be able to repay them.

The Green Forestry Bonds will be unlisted securities. No application will be made for admission of the Green Forestry Bonds to the Official List of the FCA or to the AIM Market of the London Stock Exchange. Further, neither the FCA nor the London Stock Exchange has examined, or approved, the contents of this document.

The Green Forestry Bonds will not be dealt on any other investment exchange and no application has been or is being made for the Green Forestry Bonds to be admitted to trading on any such exchange or market.

Investment in an unquoted security of this nature, being an illiquid investment, is speculative, involving a degree of risk. It may not be possible to realise the Green Forestry Bonds or to obtain reliable information about the risks to which they are exposed. Green Forestry Bonds are a secured debt of the Company but there is no certainty or guarantee that the Company will be able to repay them.

This Invitation Document does not constitute an offer to participate in a collective investment scheme as defined in the Financial Services and Markets Act (2000) section 235 and as such any reader acknowledges that they will not have access to the Financial Services Compensation Scheme or the Financial Ombudsman Scheme.

This Invitation does not constitute an offer (whether direct or indirect) to sell, or the solicitation of an offer to buy, the Green Forestry Bonds in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution into the United States, Canada, Australia or Japan. The Green Forestry Bonds have not been and will not be registered under the applicable securities laws of the United States, Canada, Australia or Japan and may not be offered or sold within these jurisdictions or to any national, resident or citizen of the United States, Canada, Australia or Japan. The distribution of this Invitation in other jurisdictions may be restricted by law and therefore persons into whose possession this Invitation Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document has been furnished to the recipient solely for your information on a confidential basis. Neither this document nor any other material relating to the proposal described herein may be copied, reproduced, shown, distributed or issued to any other person at any time without the prior written consent of the Company nor may the information contained herein be discussed with any other person other than the recipient’s professional advisers without the prior written consent of the Company. Every effort is made to ensure that the information contained herein is accurate at the time of print however, Green IS Holding Company PLC and the Company assumes no liability for any errors or omissions.

The Green Forestry Bonds are not shares and do not confer any equity interest or voting right in the equity of the Company or any of its subsidiaries.
Section 2
DEFINITIONS used through this Invitation Document

AIM Market means the alternative investment market registered at the London Stock Exchange;

Asset Register means the register of GPS coordinates of the standing timber owned by the Company;

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

Certificate Premium means the sum in the order of a minimum of £10,000.00 or such multiples of £10,000.00 up to a maximum of £5,000,000.00;

Chairman means any such person nominated by the Company to take the chair of any such meeting of Holders;

Company means GIS Forestry Limited (company number 08923733) whose registered office is at Blackwell House, Guildhall Yard, London EC2V 5AE;

Company Accountants means Accounting Worx Limited, One Kingdom Street, London W2 (company number 5977454) whose registered office is at 7 Headley Road, Woodley, Reading, RG5 4JB;


Account Number: 7305678. Sort Code: 20-71-06;

Coupon means ten percent (10%) of the Certificate Premium per annum;

Coupon Calculation Date means each annum of the Date of Registration;

Date of Registration means the date of registration of the Holder onto the Register;

Debenture means the instrument executed by the Company and issued to the Escrow Registrar;

Escrow Registrar means Accounting Worx Limited (company number 5977454) whose registered office is at 7 Headley Road, Woodley, Reading, RG5 4JB;

FCA means the Financial Conduct Authority

FSMA means the Financial Services and Markets Act 2000

Forestry Maintenance Agreement means the agreement dated 1 June 2014 made between the Company and Green Forestry Management Limited.

Green IS Holding Company PLC means Green IS Holding Company PLC, company number 09090717, (GIS) whose registered office is at Blackwell House, Guildhall Yard, London EC2V 5AE.

GIS Forestry Limited means the company incorporated and registered in England and Wales on 5th March 2014, company number 08923733, whose registered office is at Blackwell House, Guildhall Yard, London EC2V 5AE.

Green Forestry Bond means the corporate debt bond certificate issued to the Holder by the Company;

Green Forestry Management Limited means the company incorporated and registered in England and Wales on 14th January 2010, company number 07125464, whose registered office is at Blackwell House, Guildhall Yard, London EC2V 5AE.

Holder means each person recorded as the Holder of a Bond in the Register;

Investors means an applicant to subscribe for Green Forestry Bonds.

Invitation means the invitation to subscribe for secured bonds contained within this document;

Invitation Document means this document containing the invitation to subscribe for secured bonds;

Lease means the lease dated 1 July 2014 over part of Lote 26, Gleba 52/A do Projeto Fundiario Jaru Ouro Preto, Gleba Vale do Rio Anary, Setor Anary, Municipality of Theobroma, State of Rondônia; and made between MVM Comercio de Combustiveis LTDA of Rua Marechal Rondon, 3078, Setor 02, Municipality of Jaru State of Rondônia and the Company;

Register means the register of Holder information kept by the Company;

Repayment Date means the expiry of the Term;

Security means the numbered and allocated plantation of Lote 26, Gleba 52/A do Projeto Fundiario Jaru Ouro Preto, Setor Anary, Municipality of Theobroma, State of Rondônia;

Special Resolution means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting upon a show of hands or, if a poll is demanded, by a majority consisting of not less than 75% of the votes given on such poll;

Standing Timber Agreement means the standing timber agreement dated 1 June 2014 over 35,000 tectona grandis teak trees standing on part of Lote 26, Gleba 52/A do Projeto Fundiario Jaru Ouro Preto, Gleba Vale do Rio Anary, Setor Anary, Municipality of Theobroma, State of Rondônia made between MVM Comercio de Combustiveis LTDA of Rua Marechal Rondon, 3078, Setor 02, Municipality of Jaru State of Rondônia and the Company.

Term means 36 calendar months from the Date of Registration.
GIS Forestry Limited is a company registered in England and Wales, company number 08923733, whose registered office is at Blackwell House, Guildhall Yard, London EC2V 5AE United Kingdom (the “Company”).

The Company was incorporated on 5th March 2014 as a special purpose vehicle to issue the certificates and hold the asset that provides the underpinning security of the Green Forestry Bond. The rationale behind incorporating this special purpose vehicle is to protect the interests of clients of Green IS Holding Company PLC who have been granted interests over other leasehold plantations that Green IS Holding Company PLC owns.

The Company is a wholly owned subsidiary of Green IS Holding Company PLC, who is the registered holder of the entire issued share capital of the Company.

The Company shares its officers, support staff and financial auditors with Green IS Holding Company PLC to conduct the administration of the Company’s day to day affairs. Green IS Holding Company PLC make no charge to the Company for these services.

On the 1 July 2014, the Company acquired a 3 year lease over a plantation and title to 35,000 tectona grandis species of teak tree standing upon the plantation, by virtue of a lease and standing timber agreement granted over an area of land known as Lote 26, Gleba 52/A do Projeto Fundiario Jaru Ouro Preto, Gleba Vale do Rio Anary, Setor Anary, Municipality of Theobroma, State of Rondônia. These assets will be used as security for the Green Investment Bond.

The lease agreement grants rights over the plantation land to the standing trees (35,000 tectona grandis species of teak tree) from 1 July 2014 until 30 June 2017 and may be automatically renewed by the Company for an additional year should the Company wish (“the Term”). The ground rent during the Term is a peppercorn. During this Term the Company has the rights to quiet enjoyment and unrestricted access in order to carry out maintaining, cultivating and harvesting the trees as and when it sees fit. There are also rights of pre-emption in favour of the Company set out within the lease. The land reverts back to the landlord upon felling the entire 35,000 trees or at the end of the Term, whichever is the earlier.
The standing timber agreement, vests title of the standing trees (35,000 tectona grandis species of teak tree) from 1 July 2014 to the Company. This ownership is granted until the longstop date of 30 June 2018, with rights of termination also set out in the agreement. Should the trees not be felled and removed from the plantation prior to 30 June 2017 then the title to the trees reverts back to the landlord.

The Company has agreed with the landlord to pay for the 35,000 trees by way of twelve monthly instalments. The final instalment will be on 1st June 2015. Should the Company delay a payment, an 8% per month penalty will become applicable on the amount owing.

To manage its asset during the term of the lease and standing timber agreement, the Company has entered into a plantation maintenance agreement with Green Forestry Management Limited. Green Forestry Management Limited is a Company registered in England and Wales. Its Director and shareholder is also a consultant to Green IS Holding Company PLC. Green Forestry Management Limited engage a number of local workers to conduct their services in Brazil. Green Forestry Management Limited have subcontracted their obligations to MVM Comercio de Combustiveis LTDA, one of its local contractors in Brazil. MVM Comercio de Combustiveis LTDA is also the landlord of the plantation.

The Company has agreed to pay Green Forestry Management Limited the sum of £35,000 per annum to maintain the 35,000 standing tectona grandis trees. During the term of the lease and standing timber agreement, to protect the assets, the Company has the benefit of a forestry insurance policy. It is the intention of the Director to maintain the insurance policy for the duration of the lease and standing timber agreement.

As there will be up to 200 Green Forestry Bond certificates issued to Holders, the Company will appoint the Escrow Registrar to manage the Holder’s interest in the Security should an Event of Default occur. This will be achieved by granting a Debenture in favour of the Escrow Registrar over the assets of the Company, namely the lease and the 35,000 tectona grandis species of teak trees.

The Company will also enter into an agreement with the Escrow Registrar to pay to them an administration fee for their assistance in safeguarding the interest of the Holders during the term. A fee of 0.25% of the face value of the investment plus a service charge of £8.50 is payable by the Company upon the issue of each Green Forestry Bond. These fees will be deducted from the subscription monies held by the Escrow Registrar before forwarding the balance of monies to the Company following the issuance of the certificate.

The Company has been funded, on an interest free basis, by Green IS Holding Company PLC to meet all its financial obligations under the lease deed, standing timber agreement, maintenance agreement, insurance policy and fees due to the Escrow Registrar. The Company will make repayment of such loans following completion of all its financial obligations to the Holders at the expiry of the term of the Green Forestry Bond.

The purpose of the Company raising funds by the issuance of its Green Forestry Bonds is two fold:

1. To support Green IS Holding Company PLC’s growing cut timber export business. Green IS Holding Company PLC is negotiating several long term supply contracts with a number of its current international clients. Accordingly, the monies will be required to assist this expansion by financing the acquisition, felling, processing, logistics and exportation of sufficient quantities of timber to satisfy the initial phases of these supply contracts, and;

2. The monies will also be used to fund Green Investment Solutions Holding PLC’s own acquisition of a freehold plantation and the existing standing trees thereon that Green IS Holding Company PLC are negotiating to expand their own retail investment offerings to their clients.

To enable this allocation of monies as described above, the Company intends to enter and grant a facility agreement to Green IS Holding Company PLC in the sum equivalent to the total amount of monies actually received by it through the issuance of Green Forestry Bonds.

The Director advises that the facility agreement will be unsecured, its term will be three years and that it will procure the interest sum of 10% per annum to be paid upon the principal sum to the Company under this agreement so that the Company can meet its own obligations to the Holders under the terms of the Green Forestry Bond. There will be no right of set off in the agreement.

It is not intended for the Company to acquire any other assets nor liabilities save for those as set out in this Invitation Document and such other supporting documents mentioned herein.
Section 4
Green IS Holding Company PLC

At GIS we are dedicated to our green and ethical ethos; we care about the environment and the local communities that we operate in.

Forestry investment for all

GIS was created to bring sustainable plantation teak investment to the retail market and to be able to show returns in the shorter term by offering trees at varying stages of maturity. We currently own plantations in the North West of Brazil and will soon be moving into Ghana as we prefer to concentrate our operations in stable environments.

Our Technical Forestry Director and Co Founder, Guy Conroy, has spent over 10 years in the Teak market building bespoke portfolios for HNW and corporate investors. He is supported by an operations team that brings together a wealth of knowledge and experience both in forestry and financial investments, including an in-house compliance officer, to ensure that all investments are ethical and compliant.

Technical innovation

We have utilised technical advisers from UK universities to harness the ever improving knowledge and advances that are being made in the area of ethical and sustainable forestry. We use management companies that have the best knowledge of the products that are offered to clients and we are working closely with governments in the countries where we operate to create new plantations.

A sustainable approach

We are actively replanting previously deforested land with plantation timber. For every unit of trees planted for investors we plant a further 50% of buffer stock to help the regeneration of the rainforests and create stability for the previously decimated surrounding communities.

A compelling investment product

With extensive experience, insight and knowledge of this marketplace as well as the partnerships forged and cemented over the last 10 years we (GIS) have been able to bring to market the most unique and compelling investment product the asset class has ever seen.
Green Investment Solutions Team

Guy Conroy, Forestry Director

Guy is a technical forestry expert, CEO and Founder of Green Investment Solutions Limited (GIS). Guy is responsible for developing, and managing, relationships with APEX fund services and Norton Rose Fulbright; addressing and planning a Green Fund; a Green mini bond; and a Green transferable regulated Bond. Working actively with his partners, he assembles and leads the team of experts needed to advise GIS on the full spectrum of their forestry management and forestry investment needs, drawing from GIS’s global resources. The team’s overall mission is to provide clients with the peace of mind that comes from having a coordinated approach for meeting complex financial goals and objectives.

Guy is one of the “Top Innovators” in the forestry investment world.

Prior to starting GIS, he worked at ITAS Ltd, a start up company in the forestry investment business. Guy was responsible for business operations, sales and business development. He developed the business from its launch in the forestry industry to a multi million pound forestry investment business. Guy resides in the UK with his partner and travels extensively with business throughout the UK and internationally.

Cheryl Williams, Managing Director

Cheryl’s belief in the product is total; it was this belief that led her to support Guy in developing this investment option for the wider market. Cheryl provides the practical knowledge and skills to ensure that everyday business tasks are managed and that the technical team source, grow and maintain the best trees to maximise the return on investment for GIS’s bond holders.

She has extensive operational experience, most recently with Inigo Business Centres, and brings her administrative expertise and co ordination skills to the team. Cheryl’s team leadership ensures that GIS maintains a high degree of integrity, professionalism and client services.

Roland Jansen, Non Executive Director

Roland A Jansen is CEO of Mother Earth Investments AG. He holds a degree in Business Administration (lic.oec.HSG) from the University of St. Gallen, Switzerland. He has worked in New York, London and Zurich as a financial consultant for Merrill Lynch and Cargill Investor Services. He was a Senior Vice President of Coutts & Co. in the British bank’s Zurich office from 1995 – 2000, and Director of Fund Management at the Liechtensteinische Landesbank AG. in Vaduz, Principality of Liechtenstein, where he was instrumental in developing the bank’s fund business from scratch to CHF 2.5 billion.

Roland is the author of “Profits from Natural Resources”, John Wiley & Sons, New York (1998) where he correctly forecast the end of the bear market and the new supercycle in commodities. He appears regularly on Bloomberg Television’s American, Asian Pacific, British, French and German channels to give his views on commodity trends. He is the CEO of Mother Earth Investments AG in Pfaeffikon, Switzerland and Juno Mother Earth Asset Management LLC. in New York. The company issues the “Mother Earth Index”, a “second generation” global index of natural resources, and manages assets in natural resources for banks, private clients, pension funds and family offices in several funds and certificates.

In addition, Roland also serves as the Honorary Consul for The Netherlands in Liechtenstein and is fluent in Dutch, German, French, English and Swiss German and has a good working knowledge of Spanish, Italian and Portuguese.
Gary Williamson, New Business Manager

Gary is a co-founder of GIS alongside Guy Conroy. He is a self-made business man who worked his way up from car mechanic to joint ownership of a car dealership with a multi-million pound annual turnover. He sold his share of this business to pursue his property investment and development interests. It was at this point in his career that he developed a sound understanding of alternative investment products, initially as an investor and later drawing on his knowledge and experience to act as an advisor to others.

Gary is responsible for growth, management of the global business, monetisation and day-to-day sales operations. He is also working with the management team to develop GIS into a renowned Green Investment Company and to lead it into the growing renewable energy sector.

James Williams-Ward, Director

James has been involved in marketing, graphic design and business support for over 28 years. He started as a marketing trainee where he received a grounding in marketing and business encompassing: PR, Marketing Strategy, Technical Marketing, Market Research and Business Development.

He then worked for regional and national contractors covering all aspects of marketing, business development and corporate communication.

James is a Chartered Marketer and holds an MBA from Henley Management College.
Green IS Holding Company PLC (GIS) has an opportunity for investors to become involved with a very exciting project, producing a finished product from the harvested Teak trees on our plantations.

How it works

GIS will take the capital amount invested and secure part of this in standing teak, these trees are tagged and marked and then harvested. They are then transported to a local mill and processed into finished product (in the first case this will be teak decking). We then transport the finished product to the port of Porta Velho in the state of Rondônia, Brazil.

Containers are packed with the decking and it is shipped to Manaus, this is where our customer will take possession and pay for the product in full with all the documents required to ship Freight on Board (FOB).

GIS requires an investment of £100,000 to begin the project from the investor in return we offer returns as follows:

<table>
<thead>
<tr>
<th>How the £100,000 is invested</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of forestry</td>
<td>£28,000</td>
</tr>
<tr>
<td>Cost of harvest and mill</td>
<td>£52,000</td>
</tr>
<tr>
<td>Costs at Port</td>
<td>£20,000</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td><strong>£100,000</strong></td>
</tr>
</tbody>
</table>

It is expected that this will produce 300 m³ of timber which will be shipped to return:

<table>
<thead>
<tr>
<th>Project Return</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Project Return over 90 days</td>
<td>£225,000</td>
</tr>
<tr>
<td>Taxes to export goods (8%)</td>
<td>(£18,000)</td>
</tr>
<tr>
<td>Profit after deducting original investment sum</td>
<td>£125,000</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td><strong>£107,000</strong></td>
</tr>
</tbody>
</table>

These costs are worked out for today’s prices - some of these items may go up, or down, however as the project expands we will have more control over these costs and will be able to maximise the profits.
Section 6
The Green Forestry Bond

World demand for hardwoods

Teak is a durable hardwood produced by the species Tectona grandis. It is rich in oil, giving it a superior ability to withstand the elements and making it ideal for constructing buildings, outdoor furniture, flooring and decking.

The steadily increasing demand for tropical hardwoods for beautiful furniture, cabinetry, expensive boats, and other fine woodworking items, assures a ready market for the tropical hardwoods produced from the plantations.

The price trend of specialty tropical hardwoods is strongly upward. According to data published by the United Nations, the export/import price of teak, for example, is today nearly 7 times what it was in 1970.

The world’s rainforests will be either protected, or destroyed. Either way, tropical hardwoods will continue to become increasingly scarce. It is reasonable to conclude that tropical hardwood prices, and the profitability of tropical hardwood plantations, will continue to accelerate.

Awareness of the importance of preserving the remaining rainforests is increasing. Environmentalists are urging that we buy only products made from sustainably grown tropical hardwoods. Growing environmental and political pressures are likely to increase the demand for, and the price of, plantation-grown tropical hardwoods even more.

The supply is known. Modern high-resolution satellite photography permits scientists to inventory the world’s rainforest resource, and to catalogue its destruction. There can be no sudden discovery of a new supply of rainforest to negatively impact tropical hardwood prices, such as can happen with natural resources hidden beneath the earth’s surface.

Trees in the tropics grow much faster than in the temperate parts of the world. “A plantation in Canada generates only between 3 and 5 cubic meters of wood per hectare per year, and in northwestern United States the average is between 5 and 8 cubic meters. In the humid tropics, several fast-growing tree species produce wood at a rate of at least 20 cubic meters per year, a volume that can be obtained only from ten times as large an area of natural forest.”

The tropical hardwood trees growing naturally in the rainforests may take decades to reach harvest size, and even then, because of adverse growing conditions, they may be of poor form and not produce a quality log. In tropical plantations, the experience is very different. Depending upon the species, the first harvests can begin in 6 to 8 years, and quality care results in superior trees with better form and growth rates as much as several times faster than trees growing at random in the rainforest. These well-cared-for trees with better form are also much more likely to produce premium-priced veneer quality logs.

The cost/reward ratio of growing tropical hardwood trees can be very attractive. Relatively low labour and land costs for growing tropical hardwood trees, coupled with the increasing prices for tropical hardwoods, make planting and growing tropical hardwoods a uniquely profitable opportunity.

Planting and growing tropical hardwood trees in plantations also offers the unique satisfaction of knowing that the trees being planted benefit all of us while they are growing, by reducing erosion, producing oxygen and cleansing the air by consuming “greenhouse” gases. Finally, harvesting these plantation-grown trees will also benefit the earth by producing tropical hardwoods that don’t have to be taken from the world’s natural rainforests.
The Green Forestry Bond - invest in a growing market

Green IS Holding Company PLC invites applications for Forestry Bonds on the terms and conditions set out within this Invitation Document.

Summary

The Green Forestry Bond is an asset backed corporate bond issued by GIS Forestry Limited, a wholly owned UK subsidiary of Green IS Holding Company PLC.

The minimum subscription premium for a Green Forestry Bond is ten thousand pounds sterling (£10,000.00) and is available with additional multiples of ten thousand pounds sterling (£10,000.00) increments with a maximum of five million pounds sterling (£5,000,000.00).

Its term is three (3) years. Subscribers will receive ten percent (10%) interest per annum, paid annually in arrears. Upon maturity of each Green Forestry Bond, its holder will have received a gross yield of three thousand pounds sterling (£3,000.00), assuming minimum subscription amount is invested.

The Green Forestry Bond’s underlying asset is the Brazilian tectona grandis plantation owned by the issuing company, GIS Forestry Limited. Each issued Green Forestry Bond is secured against sixty (60), fifteen (15) year old teak trees (“Security”). The Escrow Registrar will hold on trust for all the Green Forestry Bondholders an all assets debenture over the Company enabling it to enforce the sale of the Security should it be necessary.

The Green Forestry Bonds can be held within a SIPP or a SSAS.

The Green Forestry Bonds are non-transferrable.

Structure

• The investor subscribes for a Green Forestry Bond by entering into the Instrument with the Company.

• The investor engages the Escrow Registrar by way of a Deed of Surety to hold the Security Asset on its behalf during the term of the Green Forestry Bond.

• The investor shall lodge its investment capital with the Escrow Registrar who shall in turn deposit the requisite investment sum into the Company’s bank account to purchase a bond.

• Upon receipt of the investment, the Company shall process the Application Form and issue the relevant Green Forestry Bond(s) to the Escrow Registrar who will manage the bond(s).

• The Company acquires phases of the plantation asset in direct correlation with the required security stock to underpin each Bond issued.

• The Company shall maintain and insure its assets for the entirety of the term.

• During the term upon the anniversary dates, the Company shall pay to the investor the applicable interest payment.

• Upon expiry of the term, the Company shall repay to the Escrow Registrar the certificate fee in order to redeem the Green Forestry Bond.

• The Escrow Registrar shall then pass the investment capital back to the Investor.

Forestry Bond Structure

The diagram shows the flow of capital, contractual arrangements, and share holdings between Green Investment Solutions Holdings PLC, GIS Forestry Limited, and the Escrow Registrar, with detailed notes on the underlying assets and contract terms.
Security and Security Value

The Company’s main asset will be the acquisition of a plantation of Tectona Grandis species of teak tree. The plantation is located in the municipality of Theobroma, state of Rondônia, Brazil. The Company holds an option over a plantation consisting of 35,000 trees. As the Escrow Registrar approves Applications for Green Forestry Bonds the Company will acquire a plot for the amount subscribed. These trees will be utilised as security for the Bond holders. Each tree, upon each plot, upon the plantation is individually bar coded with its own unique identification number and GPS co-ordinates which are recorded in the Asset Register of the Company. The Company plantations are expertly managed and maintained to ensure all the trees remain healthy and achieve their predicated growth. The Company also insures its entire plantation asset against fire, lightening, explosion and airlines therefore, should the unthinkable happen and catastrophic loss is suffered at the plantation then the Security can be replaced in full.

<table>
<thead>
<tr>
<th>Mark</th>
<th>Co-ordinate E</th>
<th>Co-ordinate N</th>
<th>Length</th>
<th>Azimuth</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.226/M.331</td>
<td>572970.80</td>
<td>8876100.00</td>
<td>2,142.70m</td>
<td>88° 53’ 43.0’’</td>
</tr>
<tr>
<td>M.331/M.330</td>
<td>575133.10</td>
<td>8876141.30</td>
<td>236.70m</td>
<td>179° 54’ 11.5’’</td>
</tr>
<tr>
<td>M.330/M.225</td>
<td>575113.50</td>
<td>8875904.60</td>
<td>2,136.38m</td>
<td>268° 15’ 42.6’’</td>
</tr>
<tr>
<td>M.225/M.226</td>
<td>572970.80</td>
<td>8876100.00</td>
<td>260.26m</td>
<td>358° 23’ 34.7’’</td>
</tr>
</tbody>
</table>

The holder of the Green Forestry Bond has its interest secured by way of lien against sixty (60) individually allocated teak trees upon the plantation. This security is formalised in the Debenture arrangements between the Escrow Registrar and the Company and in turn the trust deed between the Escrow Registrar and the Investor.

In the unlikely scenario that the Company becomes unable to fulfil its contractual obligation to the holder, (be that the interest payment and/or subscription premium repayments during or at expiry of the term respectively) then the terms of the Instrument and Debenture dictates that the lien in favour of the holder shall crystallise over the Security Asset and the Escrow Registrar shall take title and dispose of on behalf of the holder.
Each tree has a raw material value that can be realised by harvesting and processing for sale into the local and international timber markets. There are three main sections of a teak tree that must be considered when determining its value, these can be summarised in the following diagram.

**Canopy** - this section is sold to the local markets for processing into biofuel and other by-products. A typical fifteen (15) year old teak tree upon plantations in Brazil or Ghana would exhibit around 0.6m$^3$ and achieve a market price of £61 per m$^3$.

**Upper Trunk and main branches** - this section is sold to the local markets for processing into fence posts. Typical fifteen (15) year old teak tree upon plantations in Brazil or Ghana would exhibit around 0.3m$^3$ and achieve a market price of £183 per m$^3$.

**Main Trunk** - this section is sold into the international markets for use as either round logs or milled at site into boards. Typical fifteen (15) year old teak tree upon plantations in Brazil or Ghana would exhibit circa 18” in diameter producing approximately 0.64m$^3$ and achieve a market price of £259 per m$^3$ of round logs or £732 per m$^3$ of finished boards.

Therefore to estimate the total value of a teak tree once felled, we take the minimum figures:

\[
(0.6 \times £61) + (0.3 \times £183) + (0.64 \times £259) = £257.26.
\]

**Therefore the total market value of the Security Asset is 60 x £257.26 = £15,435.60.**

Obviously, should the trees need to be prepared for sale, there are a number of associated costs involved in the process that include, but are not limited to lumbering, labour, transportation, taxes and administration. These costs need to be considered when assessing the true value of the raw material. Therefore, to ensure the Subscribers are adequately protected only the Main Trunk value is considered to be net profit of the available to the seller upon sale. As trees are a growing asset, during the bond term the diameter of the trees will continue to expand. Upon maturity it would be expected that an eighteen (18) year old teak tree on a plantation in Brazil would reach a diameter of circa 22” producing 1.25 m$^3$.

Accordingly the projected value of the Security Asset can be summarised as:

**Teak Projections - 60 Trees**

<table>
<thead>
<tr>
<th>Age Tree (years)</th>
<th>15</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diameter - inches</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>Approx. value per tree</td>
<td>£166</td>
<td>£325</td>
</tr>
<tr>
<td>Gross retail asset value</td>
<td>£11,288</td>
<td>£22,100</td>
</tr>
</tbody>
</table>
Section 7
Risk Factors

There are significant risks associated with investing in Green Forestry Bonds. Prior to making an investment decision in respect of the Green Forestry Bond, prospective investors should consider carefully all of the information within this document, including the risk factors described. Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable in the light of their own personal circumstances and the financial resources available to them. If you are in any doubt, you should consult an appropriate independent financial adviser.

This document contains forward looking statements which have been made after due, and careful, enquiry and are based on the Directors’ current expectations and assumptions which they believe to be fair and reasonable. These forward looking statements involve known, and unknown, risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed, or implied, in such statements. These statements are subject to, inter alia, the risk factors set out overleaf. The Directors make no guarantee of performance of GIS Forestry Limited or Green IS Holding Company PLC.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on any forward-looking statements. Each forward-looking statement speaks only as of the date of issue of this document. The Company and the Directors disclaim any obligation to update any forward looking statements in this document to reflect future events, or developments, but reserve the right to remedy any errors that may be present in this document until applications for subscriptions relating to the Green Forestry Bonds are no longer accepted by the Company.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in Green Forestry Bonds. To the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document, for which they are responsible, is in accordance with the facts and does not contain anything likely to affect the import of such information.

Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon Green IS Holding Company PLC and the Company. The information set out below does not purport to be an exhaustive summary of the risks nor are they set out in any particular order of priority.

If any of the following risks were to materialise, Green IS Holding Company PLC or the Company’s business, financial condition, results or future operations could be materially and adversely affected with consequent impact on the financial position of the Company. In such cases an investor may lose part, or all, of their investment.
Risks relating to GIS

Exposure to external events
Green IS Holding Company PLC could be affected by unforeseen events outside its control, including economic, social and political events and trends both in the UK and abroad. These include changes in economic, political, administrative, taxation or other legal or regulatory regimes, terrorist or other attacks, inflation, deflation or other currency exchange fluctuation.

Projections
The Company’s business plan is based on assumptions about market penetration and predicted future trade of its current and proposed business activities, which are supported by research undertaken and the Directors’ experience to date. The Directors consider these assumptions to be reasonable but are inherently subject to variation and uncertainty. There is no certainty that all, or any, of the elements of its business plan will be fulfilled, that the outcome of the Company’s strategy will be as anticipated to achieve its stated objectives.

Past performance
Past performance is not necessarily a guide to future performance. Past events, experience derived from these, or assumptions derived from any of these, do not predetermine the future.

Reliance on the GIS Team
Success depends on the activities of its Directors, Managers and Partners and if one or more of these were unable, or unwilling, to continue in their position, GIS’s business may be disrupted and it might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding such replacements could be costly which could adversely impact GIS’s financial results.

Risks relating to the Company

Incorporation
The Company is a recently formed company.

Risks relating to conflict of interest

Directors
Guy Conroy and James Williams-Ward are Directors of Green IS Holding Company plc. They will be the key decision makers in the corporate governance of both companies.

The Directors have a fiduciary duty to the Company and consequently have exercised and will continue to exercise good faith and integrity in handling all the Company’s affairs. Should a conflict of interest arise, the Directors of the Company will endeavour to ensure that it is resolved fairly.

Risks relating to an investment in the Green Forestry Bond

Exposure to performance of Green IS Projects
If Green IS Holding Company PLC does not perform as expected then it may default on the payment of interest, or capital repayment, pursuant to the Facility Agreement. This in turn may result in the Company defaulting on the payment of interest, or principal, of the Green Forestry Bonds on the due dates. Although the Green Forestry Bondholders may be able to recover monies by enforcing their security via the Debenture and Escrow Registrar, they may not recover all, or any, of the amounts due.

No external guarantee
The Green Forestry Bonds are secured by way of Debenture against the assets of the Company. However, this security is not a guarantee from a third-party or financial institution. If the Company was wound-up, or liquidated, and the assets of the Company were worth less than the value of the outstanding Green Forestry Bonds (including all accrued but unpaid interest), then the Green Forestry Bond Holders will not get back all, or possibly any, of the capital they had invested, or accrued, but unpaid interest.

Risk related to market conditions

Fluctuation in timber values security
The valuation of the Security Asset upon which the Directors of the Company will rely for determining covenanted Security will be made at a fixed date and in a currency used locally for the purpose of timber transactions. While the Directors will regularly review the portfolio of properties relied upon for security, it is possible through variations in currencies, timber market conditions, and the condition of specific trees (or a combination of all of these) that the value of the trees if required to be sold may be less than the value of the outstanding Green Forestry Bonds, and in such circumstances Green Forestry Bondholders may not get back all of the capital they had invested, or accrued, but unpaid interest.
Risks related to Contracts

Land Lease Agreement

The provisions of the plantation lease provide the Company first refusal to purchase the freehold of the plantation should the landlord wish to sell the property during the term of the lease.

The lease is subject to Brazilian Law, any dispute arising from the lease will have to be dealt with under the rules of Chamber of Business Arbitration – Brazil (CAMARB) and heard in the Brazilian city of Cotriguacu. Any such hearing would be conducted in English.

There is a right to renew the lease for an additional period of one year at the expiry of the term. To exercise that right the Company will have to provide written notice to the landlord during the term of the lease.

MVM Comercio de Combustiveis LTDA is the landlord of the plantation and party to the lease and the standing timber agreement. It is also the chosen maintenance contractor of Green Forestry Management Limited to conduct the required maintenance during the term.

Standing Timber Agreement

The standing timber agreement contains rights of termination upon giving notice of a breach of either party, if said breach is not rectified within 21 days. The standing timber agreement is subject to Brazilian Law, any dispute arising from the document would have to be dealt with under the rules of Chamber of Business Arbitration – Brazil (CAMARB) and heard in the Brazilian city of Cotriguacu. Any such hearing would be conducted in English.

MVM Comercio de Combustiveis LTDA is the landlord of the plantation and party to the lease and the standing timber agreement. It is also the chosen maintenance contractor of Green Forestry Management Limited to conduct the required maintenance during the term.

Maintenance Agreement

Green Forestry Management Limited is a Company registered in England and Wales. Its Director and shareholder is also a consultant to Green IS Holding Company PLC.

Green Forestry Management Limited have sub contracted their obligations to MVM Comercio de Combustiveis LTDA, one of its local contractors in Brazil. MVM Comercio de Combustiveis LTDA is also the landlord of the plantation. Successful maintenance depends on the activities of MVM Comercio de Combustiveis LTDA and its team and if it was unable or unwilling to continue in the position, Green Forestry Management’s duties under the maintenance agreement may be disrupted and it might not be able to find replacements on a timely basis or with the same level of skill and experience.

Risks Related to Local Law

Preference ranking of securities

The Debenture will constitute a first ranking security interest over the Company’s plantation lease and the Security, and as such will entitle the beneficiary of the Debenture to recover monies due to it and secured by the Debenture in preference to any other creditor of the Issuer other than those creditors preferred by Brazilian law. The only creditors preferred by Brazilian law entitled to rank ahead of the security created by the Debenture will be local employees of the Company. It is understood that the Issuer does not intend to have any local employees.

Disposal rights

A disposal of the land that is the subject of the Company’s plantation lease by the freeholder during the term of the lease would be illegal under the laws of Brazil and the sale would be set aside and the rights of the Company under the plantation lease would be upheld against any third party, including any third party without actual notice of the existence of the plantation lease, regardless of any fraud, or misrepresentation, perpetrated on such a person. The provisions of the plantation lease provide a pre-emption right on disposal to the Company that negates any apparent agreement permitting the freeholder to dispose of the land the subject of that plantation lease.

Risks Related to Escrow Registrar

Expertise

Whilst the Escrow Registrars are professional Registrars regulated by their professional Institute, they are not experts in forestry nor have the same links, contacts or know-how as Green IS Holding Company PLC and so should they exercise their rights under the debenture they may not realise the same value as stated in Section 6.

Register of Holders

The Escrow Registrar is reliant upon the Company for providing it with information in respect of the Holders and the Register of Holders as per the terms of the Escrow Registrar Agreement. Should the Company fail to correctly advise the Escrow Registrar of the Holders’ details, including updated details, then the Escrow Registrar will not have accurate details and may not be aware of the Holders’ interest.
**Section 8**

**Green Forestry Bond: Information & FAQs**

**Target to be raised:**
Five million pounds sterling (£5,000,000.00)

**Minimum amount to be raised:**
One hundred thousand pounds sterling (£100,000.00)

**Issue price of an Green Forestry Bond:**
Ten thousand pounds sterling (£10,000.00)

**Timetable:**
The closing date for applications will be the date of full subscription.

**Minimum investment:**
You must invest a minimum amount of ten thousand pounds sterling (£10,000.00) with additional multiples of ten thousand pounds sterling (£10,000.00), the maximum amount being five million pounds sterling (£5,000,000.00).

**When will I be informed how much has been raised?**
The Company will inform the subscribers of the amount raised via an announcement upon the website www.greenis.co.uk within 21 days of the Closing Date or the date of full subscription, whichever is the earlier.

**What security is there?**
GIS Forestry Limited will grant the Escrow Registrar a Debenture over its assets. The Company’s key assets are a four year lease to a plantation in Brazil and title to thirty-five thousand (35,000) Tectona Grandis species of teak tree standing upon the plantation.

**What happens if the Company fails to pay the coupon?**
If the Company fails to do what it has promised, such as pay you on time, then the Holders, subject to providing the necessary cost indemnities, will be able to authorise the Escrow Registrar to enforce rights of the Debenture and take control and title to the assets of the Company. The Escrow Registrar will have the power to make a disposal of 35,000 teak trees.

**How does each bond holder rank?**
The Bond Holders rank pari passu with each other.

**Can I get my money out before the end of the Term?**
No. Save for in exceptional circumstances – this would be at the absolute discretion of the Company’s Director.

**What happens if I die during the Term?**
The Green Forestry Bonds held by you will form part of your estate, and may be redeemed at the absolute discretion of the Company’s Director. If death of a SIPP beneficiary is the sole reason for the Green Forestry Bond Holder serving on the Company a request for early redemption then the Director of the Company will not unreasonably withhold or delay the redemption pursuant to such request and in any event shall use their reasonable endeavours to procure that such redemption occurs within six (6) months immediately following the date of such request for early redemption.

**Taxation**
The Escrow Registrars will receive interest payments annually from the Company to hold on behalf of the Holder. These interest payments will be paid gross. The further distribution from the Escrow Registrar maybe paid net of UK basic rate income tax unless you are not subject to UK Income Tax (such as SIPP funds). You should take advice from your tax adviser.

**Do I need to discuss this with a financial adviser?**
Yes. We recommend that you seek independent advice from an appropriately qualified adviser who specialises in advising on the acquisition of unlisted securities to establish whether this is an appropriate investment for you or not.

**Term:**
Thirty six (36) months from the date of issue.

**Interest:**
Ten percent (10%) gross per annum.

**When will interest be paid?**
Your interest will be paid annually, in arrears.
When does the Bond mature?

The Bond carries a thirty six (36) month fixed term. On maturity, you are entitled to the return of the original sum invested in full.

Can I utilise my Pension?

You can hold Green Forestry Bonds within a SIPP or a SSAS. The liability of a SIPP Bondholder, or the trustee of that SIPP, shall not be personal and shall be limited to the assets of the SIPP under its control for the time being.

Who is the issuer?

GIS Forestry Limited, a wholly owned UK incorporated subsidiary of Green IS Holding Company PLC.

Can the terms of the bonds be amended?

No.

Are the bonds transferable?

No.

How is the Security managed?

The plantation is expertly managed and maintained to ensure all the trees remain healthy and achieve their predicated growth. However, as with any natural asset, the trees are open to the elements. Accordingly, as a precaution, the Company insures its plantation assets against fire, lightening, explosion and airlines. Therefore, should the unthinkable happen and loss is suffered then the Security can be replaced.
Section 9
Terms of Loan Notes

GREEN FORESTRY BOND TERMS AND CONDITIONS
THIS IS AN IMPORTANT DOCUMENT. YOU SHOULD TAKE
INDEPENDENT LEGAL ADVICE BEFORE SIGNING AND SIGN
ONLY IF YOU WANT TO BE LEGALLY BOUND.

THIS AGREEMENT is made between:-

(1) GIS Forestry Limited whose registered office is at
Blackwell House, Guildhall Yard, London EC2V 5AE (the
“Company”), and

(2) Accounting Worx Limited (company number 5977454)
whose registered office is at 7 Headley Road, Woodley,
Reading, RG5 4JB (the “Escrow Registrar”).

By which it is agreed as follows:-

1. DEFINITIONS

1.1. In this Agreement unless the context otherwise
requires:-

“Application”
means an application for Green Forestry Bonds made
in the form attached as Schedule 1 to this Agreement;

“Asset Register”
means the register of bar codes and GPS coordinates of
the standing timber owned by the Company;

“Business Day”
means a day (other than a Saturday or Sunday) on which
banks are open for general business in London;

“Certificate Premium”
means the sum in the order of a minimum of £10,000.00
or such multiples of £10,000.00 up to a maximum of
£5,000,000.00;

“Chairman”
means any such person nominated by the Company to
take the chair of any such meeting of Holders;

“Company”
means GIS Forestry Limited whose registered office is
at Blackwell House, Guildhall Yard, London EC2V 5AE;

“Company’s Nominated Bank Account”
means Barclays Bank Plc. Account Name: GIS Forestry
Limited Bond Account.

Account Number: 73305678
Sort Code: 20-71-06

“Coupon”
means ten percent (10%) of the Certificate Premium per
annum;

“Coupon Calculation Date”
means each anniversary of the Date of Registration up to
and including the Repayment Date;

“Date of Registration”
means the date of registration of the Holder onto the
Register;

“Debenture”
means the instrument executed by the Company and
issued to the Escrow Registrar creating security over its
assets, as more particularly described in clause 9;

“Directors”
means the board of directors of the Company for the
time being;

“Event of Default”
means any of the events described in clause 13.1;

“Holder”
means each person recorded as the Holder of a Green
Forestry Bond in the Register;

“Green Forestry Bond”
means the corporate debt bond certificate issued to the
Holder by the Company;

“Register”
means the register of Holders information kept by the
Company in accordance with the provisions of clause 4;

“Repayment Date”
means: (i) the expiry date of the Term; or (ii) the date
of acceleration of the Loan Notes in accordance with
clause 13.2;

“Security”
means the numbered and allocated plantation of 60
Tectona Grandis trees;
“Special Resolution” means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting upon a show of hands or, if a poll is demanded, by a majority consisting of not less than 75% of the votes given on such poll;

“Term” means 36 calendar months from the Date of Registration.

1.2. Headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement. Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.

1.3. Save as permitted in this Agreement, a person who is not a party to this Agreement has no rights under the Contract (Rights of Third Parties) Act 1999 to enforce any terms of this Agreement. This clause 1.3 does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

2. STATUS OF Green Forestry Bond

2.1. The principal amount of the Green Forestry Bond is limited to £5,000,000.00

2.2. The Green Forestry Bonds are non-transferable.

2.3. The Green Forestry Bonds are not capable of early redemption.

2.4. The Green Forestry Bonds shall not be capable of being dealt in, or on, any stock exchange in the United Kingdom, or elsewhere, and no application has, or shall be, made to any stock exchange for permission to deal in or for an official or other quotation for the Green Forestry Bonds.

2.5. When issued, the Green Forestry Bond shall rank pari passu equally and rateably without discrimination, or preference, among themselves and as a secured obligation of the Company.

2.6. All liabilities and obligations of the Company to the Holders under this instrument are secured on a continuing basis by the Debenture. The Debenture in the name of the Escrow Registrar shall be held by it as Trust Agreement on behalf of the Holders from time to time pro rata to the number of the Green Forestry Bonds held by them.

3. THE PREMIUM AND CERTIFICATE

3.1 Upon execution of an Application the Holder party to the same agrees to telegraphically transfer to the Company’s Nominated Bank Account the Certificate Premium, for the Company’s use up to the Repayment Date.

3.2 Upon receipt of the Certificate Premium, the Company shall:

3.2.1 enter the details of the Holder into the Register;

3.2.2 issue to the Holder a certificate in respect of the relevant Green Forestry Bonds, in each case on the last Business Day of the calendar month in which the Certificate Premium is paid (provided that if such payment is made less than five (5) Business Days before that date the Company shall have the discretion to deem that the Certificate Premium has been paid in the next following calendar month.

3.3 Each certificate for a Green Forestry Bond shall

3.3.1 be issued to the Holder as a Deed.

3.3.2 bear a denoting number.

3.4 Each Holder shall be entitled to receive one certificate for the Green Forestry Bonds registered in their name upon each Application.

3.5 If one or more of the Green Forestry Bonds are to be held jointly by more than one person, the Company shall not be obliged to issue more than one certificate.

3.6 If any certificate for a Green Forestry Bond is lost, defaced or destroyed it may be renewed on such terms as to evidence and indemnity as the Company may require. In the case of defacement, the defaced certificate must be surrendered to the Company prior to the issue of a fresh certificate.
4. REGISTER

4.1 The Company shall, at all times during the Term, keep a register containing the following details:

4.1.1 the name(s) and address(es) of the Holder for the time being;

4.1.2 the nominated bank account detail for each Holder;

4.1.3 the service address of each Holder;

4.1.4 the principal amount of the Green Forestry Bond(s) held by each Holder;

4.1.5 the Date of Registration; and

4.1.6 the date of issue of each Green Forestry Bond.

4.2 It is the responsibility of a Holder to notify the Company, at its registered office address, of any change in any of the information relating to that Holder recorded in the Register.

4.3 Should a Holder be described in the Register as being at an address outside the United Kingdom but such Holder provides an address in the United Kingdom at which notice may be served upon him, the Company shall be entitled to serve notice on that Holder at such address.

5. COUPON AND REPAYMENT

5.1 During the Term of this agreement interest on the Certificate Premium shall accrue from time to time at a rate of ten percent (10%) per annum (“Coupon”).

5.2 The Coupons for each Green Forestry Bond shall be calculated annually upon the anniversary of the Date of Registration (such being the “Coupon Calculation Date”). Should any such Coupon Calculation Date fall on a date that is not a Business Day then the next Business Day shall be used for such calculation.

5.3 The Coupons shall be paid in arrears in cash by direct transfer to each Holder’s nominated bank account noted in the Register with in five (5) Business Days from each Coupon Calculation Date.

5.4 The Company shall repay the Certificate Premium in full in cash by direct transfer to each Holder’s nominated bank account noted in the Register, with in five (5) Business Days of the Repayment Date.

5.5 Any such third party charges, such as those levied by the Company’s bankers with respect to each direct transfer required under clauses 5.3 and 5.4, shall be deducted from the sum to be paid to the Holder prior to transmission.

5.6 All payments of Coupon and Certificate Premium made by the Company shall be made after the deduction, or withholdings, for or on account of any present, or future, taxes required to be deducted, or withheld, from such payments.

5.7 All Green Forestry Bonds when repaid shall be cancelled by the Company and the Company shall not re-issue the same.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Company represents and warrants (save as disclosed to and agreed by the Holder) that:-

6.1.1 this agreement and any security provided pursuant to Clause 6 constitute legal, valid and binding obligations on the Company;

6.1.2 the Company holds good legal title to the Security;

6.1.3 the Company holds and is in compliance with: (i) all necessary certificates, licences, permits, consents or other authorisations required for conducting the Company’s business as currently conducted and (ii) all applicable laws and regulations or other legal requirements;

6.1.4 there has been no (nor with the giving of notice, lapse of time or satisfaction of any other condition would there be any) breach of or default under any agreement or document to which the Company is a party, or by which the Company or any part of the Company’s assets may be bound, which could have a material adverse effect on the business, assets or financial condition of the Company or on the Company’s ability to perform fully the Company’s obligations under this agreement or under any security provided pursuant to clause 6; and

6.1.5 no Event of Default has occurred.
6.2. The representations and warranties contained in clause 6.1 shall survive the signing of this agreement and shall be deemed repeated on each date on which interest is compounded.

7. UNDERTAKINGS

7.1. The undertakings in this Clause 7 shall remain in force until the Certificate Premium has been repaid in full.

7.2. The Company shall notify Holder of any Event of Default or breach by the Company of any term or condition of this agreement immediately upon becoming aware of its occurrence.

7.3. The Company shall not create, nor permit to subsist, any charge, lien or other encumbrance in the nature of a security interest (except a lien arising by the operation of law in the ordinary course of business) on the whole, or any part, of the Security except with the prior written consent of Holder.

7.4. The Company shall:

7.4.1. comply with all licences, permits, consents or other authorisations held and with any applicable laws, regulations or other legal requirements;

7.4.2. as soon as the same comes to its actual knowledge, promptly notify Holder of any breach of (i) any law, regulation or other legal requirement and/or (ii) any licence, permit, consent or other authorisation, held, and immediately remedy such breach;

8. FURTHER COMPANY COVENANTS

The Company further hereby covenants with Holder and it is hereby agreed and declared as follows:

8.1. to keep and maintain the Register and the Asset Register;

8.2. to keep the Security insured in such office and for such amounts as the Holder may from time to time approve and against such risks as the Holder shall from time to time require including (but without prejudice to the generality of the foregoing) loss or damage by fire, explosion, earthquake, riot and civil commotion, malicious damage, storm and tempest (including lightning), aircraft and articles dropped therefore and, in addition, the costs of site clearance, surveyors' fees at the scales current from time to time and any consequential loss directly or indirectly resulting from such loss or damage including loss of profits;

8.3. to arrange for a note of the interests of Escrow Registrar in the policy, or policies, of such insurance to be endorsed therein and on demand to deliver, or produce, for inspection (as Holder may direct) all relevant policies and contracts of insurance;

8.4. duly and punctually pay all premiums and other monies due and payable under all insurance policies affecting the Security;

8.5. not to sell, transfer, assign, lease, share or part possession with, declare a trust of, grant any right or rights over or otherwise dispose of the Security without the prior consent of the Holder;

8.6. not to vary, alter, amend the terms of any lease, licence or any other deed or document or whatever sort which affects the Security without the prior consent of the Holder; and

8.7. not to grant, or give, any licence, or consent, to assign, transfer, sublet or otherwise dispose of any lease of the Security, or any part thereof, without the written consent of the Holder.

9. DEBENTURE AND SECURITY

9.1. The parties acknowledge that the Escrow Registrar has entered into the Trust Deed to hold and manage the Security on behalf of the Holders.

9.2. The Company shall issue the Debenture to the Escrow Registrar to secure the obligations due to the Holders under this agreement and in respect of the Green Forestry Bonds by creating security over the assets identified as being subject to that security in the Debenture, including the security.

9.3. The Debenture shall be expressed to become enforceable by the Escrow Registrar, on behalf of the Holders, upon the occurrence of an Event of Default, subject to the satisfaction of any precondition or obligations of the Holders thereunder.

9.4. For the avoidance of doubt the Company acknowledges that this agreement, together with the Debenture, creates a beneficial interest in favour of the Holders over the Security and the proceeds of enforcement of the Security.
10. MEETINGS OF THE HOLDERS

10.1. The Company may at any time, and shall upon the request in writing signed by Holders of cumulative holding of at least sixty percent (60%) in nominal value of the Green Forestry Bonds for the time being outstanding, convene a meeting of the Holders to be held at such place as the Company shall determine.

10.2. At least 14 clear days notice specifying the place, date and hour of the meeting shall be given to the Holders of any meeting of Holders. The omission to give notice to any Holders shall invalidate any resolution passed at any such meeting.

10.3. A person nominated by the Company shall be entitled to take the chair at any such meeting. The Directors and legal advisers of the Company and the Escrow Registrar and legal advisers may attend at any such meeting.

10.4. At any such meeting convened for any purpose, other than the passing of a Special Resolution, a person, or persons, holding, or representing by proxy twenty five percent (25%) in nominal value of the Holders for the time being outstanding, shall form a quorum for the transaction of business. At any meeting convened for the purpose of passing a Special Resolution persons (at least two in number) holding, or representing by proxy a clear majority of at least seventy five percent (75%) of the nominal value of the Green Forestry Bonds for the time being outstanding, shall form a quorum. No business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.

10.5. Every question submitted to a meeting of Holders shall be decided in the first instance by a show of hands. In case of an equality of votes the Chairman shall have a casting vote.

10.6. At any meeting of Holders, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman, or by one or more Holders present in person or by proxy, a declaration by the Chairman that a resolution has been carried, or carried by a particular majority, or lost or not carried by any particular majority, shall be conclusive evidence of the fact.

10.7. If at any such meeting a poll is so demanded it shall be taken in such manner as the Chairman may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

10.8. On a show of hands every Holder who is present in person, or by proxy, shall have one vote. On a poll every Holder shall have one vote for every £10,000 in nominal amount of the Green Forestry Bonds of which he is the holder. A Holder (or a proxy) entitled to more than one vote on a poll need not use all their votes, or cast all the votes, they use in the same way.

10.9. The registered holders of any of the Green Forestry Bonds, or in the case of joint holders any one of them, shall be entitled to vote in respect thereof either in person, or by proxy, and in the latter case as if such joint holder were solely entitled to such Green Forestry Bonds. If more than one of such joint holders be present at any meeting either personally, or by proxy, the vote of the senior who tenders a vote (seniority being determined by the order in which the joint holders are named in the Register) shall be accepted to the exclusion of the votes of the other joint holders.

10.10. Each notice appointing a proxy shall be in writing, signed by the appointor or his attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. A person appointed to act as a proxy need not be a Holder themselves.

10.11. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed, or a notarially certified or office copy of such power, or authority, shall be deposited with the Company at the address where the Register is maintained for the time being. No instrument appointing a proxy shall be valid after the expiration of 6 months from the date named in it as the date of its execution.

10.12. In addition to any other powers it may have, a meeting of the Holders may, by Special Resolution:

10.12.1. authorise the Escrow Registrar with power on behalf of the Holders to execute any documents to effect and enforce the Debenture, following any unremedied Event of Default;

10.12.2. authorise any compromise or arrangement proposed to be made between the Company and the Holders;

10.12.3. authorise any abrogation, modification or compromise or any arrangement in respect of the rights of the Holders against the Company, or its property, whether such rights shall arise under this instrument or otherwise; and
10.12.4. give any authority or sanction which under the provisions of this instrument is required to be given by Special Resolution.

10.13 No resolution shall be effective which would increase any obligation of the Company under this instrument or postpone the due date for payment of any Certificate Premium, or Coupon, in respect of any Green Forestry Bond without the consent of the Company.

10.14 A Special Resolution, passed at a meeting of Holders duly convened and held in accordance with the provisions of this clause 10, shall be binding on all the Holders, whether or not present, at such meeting and each of the Holders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution.

10.15 A resolution in writing signed by the holders of at least 75% in nominal value of the Green Forestry Bond for the time being outstanding, who are for the time being entitled to receive notice of meetings in accordance with the provisions contained in the instrument, shall for all purposes be as valid and effectual as a Special Resolution. Such resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Holders.

10.16 Minutes of all resolutions and proceedings at every such meeting of the Holders shall be made and duly entered in books to be from time to time provided for that purpose by the Company.

11. POWERS AND APPOINTMENT OF ATTORNEY

11.1 At any time after the Debenture shall have become enforceable by the Escrow Registrar, the Escrow Registrar (whether or not in possession of the Security) may (but should not be obliged to) without restriction exercise any of the following powers in addition and without prejudice to any other powers conferred upon Holder under, or by virtue, of this agreement or by statute or otherwise;

11.1.1 to enter upon and take possession of the Security;

11.1.2 to sell, exchange, surrender, deal with, convert into money and realise the Security or any part or parts thereof or interest therein and/or any part or parts of the other assets of the Company hereby charged and assign, or transfer, the same and to do so subject to such exceptions, reservations and covenants as may be considered necessary, or expedient, and for the same purpose of realisation to assign, or transfer, the same to any person, or company, whether in consideration of payment, or not, or in exchange for shares, or other property, without payment or any other consideration;

11.1.3 to acquire, renew, extend, grant, vary or otherwise deal with such easements, rights, privileges and/or licences over, or for the benefit of, the Security as may be considered expedient;

11.1.4 to promote whether alone or with others any company: (i) for the purpose of taking a transfer or assignment of or other interest in the Security; and (ii) in connection with or for the furtherance of all of any of the powers herein contained as may be expedient;

11.1.5 to carry out any work involving maintenance of the Security;

11.1.6 to obtain, renew, extend, amend or otherwise deal with such permissions, consents and/or licences for the benefit of, or otherwise, connected with, or ancillary to, the Security;

11.1.7 to agree any variation, modification or determination of any existing deeds or agreements relating to the Security and to enter into new agreements, deeds or bonds which may be necessary;

11.1.8 to take or defend or otherwise join in any proceedings concerning, or incidental, to the Security or to any of the foregoing powers as they shall see fit;

11.1.9 to make any arrangement, or compromise, which may be thought expedient in the interest of the Holder;

11.2 The Company hereby irrevocably appoints the Escrow Registrar as attorney of the Company to exercise any of the foregoing powers for, and in the name, and on behalf of the Company with respect to the Security.
11.3 The foregoing powers may be exercised:

11.3.1 by the Escrow Registrar either as the Company (but without incurring liability as Company in possession) or as attorney of the Company; and

11.3.2 by any substitute or delegate appointed in writing by Holder or by any attorney of Holder or by any substitute or delegate appointed in writing by any such attorney for and in the name and on behalf of Holder of the Company as the case may be and any such exercise by any such substitute, delegate or attorney shall be treated by the Company and be effective in all respects as an exercise by Holder.

11.4 Escrow Registrar (including any such substitute, delegate or attorney of the Holder as aforesaid) in connection with the exercise of any of the powers conferred on them hereby, or by statute, may do all acts and things and execute all such deeds and sign all such agreements or enter into or make all such arrangements as may be required or as Escrow Registrar (or such substitute delegate or attorney of the Holder as aforesaid) may consider necessary, or desirable, in relation to the exercise of any such powers.

11.5 The Escrow Registrar shall have no obligation whatsoever to exercise any of the powers granted to it hereunder unless it has received a satisfactory security for its costs of so doing, and shall be liable for a failure to exercise any such power to a Holder only if any precondition has been satisfied and only thereafter in the event of fraud, gross negligence or wilful default by the Escrow Registrar.

11.6 The Escrow Registrar has been granted powers under this clause for the purpose of discharging its obligations under the Escrow Registrar Agreement and shall have no duty to the Company whatsoever in respect of the same.

11.7 The powers of attorney hereby given are given by way of security for the performance of the Company's obligations under this Agreement.

12. REMEDIES, WAIVERS AND CONSENTS

12.1. No failure on the part of a Holder to exercise, and no delay on its part in exercising, any right, or remedy, under this agreement will operate as a waiver thereof, nor will any single, or partial, exercise of any right, or remedy, preclude any other, or further exercise thereof, or the exercise of any other right or remedy. The rights and remedies provided in this agreement are cumulative and not exclusive of any rights or remedies provided by law.

12.2. Any waiver and any consent by a Holder under this agreement must be in writing and may be given subject to any conditions thought fit by that Holder. Any waiver, or consent, shall be effective only in the instance and for the purpose for which it is given.

13. EVENTS OF DEFAULT

13.1. The occurrence of the following events shall constitute an Event of Default for the purposes of this agreement:

13.1.1. the Company fails to pay on the due date any amount payable under this agreement (other than where the Company demonstrates to the satisfaction of the Holders that such failure is due to an administrative, or technical, payment error, in which case the Company shall have ten (10) Business Days from the due date to make such payment); or

13.1.2. any information given or warranty or representation made by or at the request of the Company proves inaccurate; or

13.1.3. the Company fails to comply with any provision of this agreement or the Company fails to comply with any provision of the Debenture provided pursuant to clause 9 and, where capable of remedy, such failure is not remedied to the reasonable satisfaction of Holder within seven (10) Business Days of the Holders giving notice to the Company requiring the Company to remedy the same; or

13.1.4. the Company defaults in the performance of any other agreement for borrowed monies so as to accelerate, or render capable of acceleration, the due date of repayment thereunder or such borrowed monies are not repaid in full on the due date or repayment of any such borrowed monies
is due on demand and is not paid in full forthwith on such demand being made; or

13.1.5. the Company being unable to pay its debts as and when they fall due as defined by Section 123 of the Insolvency Act 1986; or

13.1.6. any insolvency proceedings are commenced against the Company or any steps are taken with a view to proposing (under any enactment or otherwise) any kind of composition, scheme of arrangement, compromise or arrangement involving the Company and the Holders; or

13.1.7. any procedure is used against the Company to attach or take possession of any Security for payment of a debt; or

13.1.8. any distress, execution, attachment or other legal process affects the whole or a material part of the assets of the Company; or

13.1.9. any receiver, or administrator, being appointed over the Company’s or any part of Security; or

13.1.10. the Company has a provisional liquidator appointed under Section 135 of the Insolvency Act 1986; or

13.1.11. the presentation of a petition for winding up or for an administration order against the Company; or

13.1.12. the passing of a resolution for voluntarily winding up (save for the purpose of reconstruction or amalgamation); or

13.1.13. a receiver or administrator being appointed over the Company, or any part of its assets, and/or undertaking or any other steps being taken to enforce any security over all, or part, of the Company’s assets.

13.2. Upon the occurrence of an Event of Default the Noteholders may, by a Special Resolution passed in accordance with the provisions of this agreement, require the Company to cure any Event of Default which is capable of remedy within 28 days and/or if such Event of Default is not remedied within that period, or is incapable of remedy, to accelerate the repayment of the Loan Notes and to declare that the Repayment Date has occurred, and that repayment of the Certificate Premium is due in accordance with clause 5.4, and that Repayment Date shall also constitute a Coupon Calculation Date.

14. NOTICES

14.1. Every notice or other communication made under this Agreement shall, unless otherwise stated, be in writing (by way of letter, or electronic mail or facsimile transmission) and shall be given:-

14.1.1. in the case of the Company to the address on the agreement or such other address as the Company may notify Holders in writing; and

14.1.2. in the case of Holders to the address on the agreement.

14.2. Every notice, or other communication, shall be deemed to have been received:-

14.2.1. in the case of a letter when delivered personally or two days after its posting by first class post; and

14.2.2. in the case of an electronic mail, or a facsimile transmission, when despatched.

15. MISCELLANEOUS

15.1. The Company may not assign, or transfer, any of the Company’s rights, or obligations, under this Agreement.

15.2. No Holder may assign all, or any part, of its rights or benefits under this Agreement.

15.3. If at any time any one, or more, of the provisions of this Agreement is, or becomes, invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired.

15.4. This Agreement supersedes all prior agreements, arrangements or correspondence between the Company and Holders in relation to the issue of the Green Forestry Bond.

16. LAW

This Agreement shall be governed by and construed in accordance with English law.