

1. Introduction

- 1.1. These GTC govern the legal relationships between Green Wood International AG (hereinafter "GWI") and the Buyers (hereinafter "Buyers") of the profit-sharing rights offered by GWI, which are the Buyers' legal claims against GWI based on the sale of individualised trees to third parties by GWI.
- 1.2. Paulownia trees from GWI's rootstock are planted and cultivated on plantations in Germany and other member states of the EU (hereinafter "Green-Wood-Plantations") according to a self-developed, sustainable and systematic plantation management system (hereinafter "Paulownia Trees") and on behalf of GWI. Maintenance occurs according to ecological standards while adhering to international guidelines on sustainable forestry and plantation management (FSC).
- 1.3. The Paulownia Trees are initially grown on separate cultivation areas for two years before they are planted in the Green-Wood-Plantations as at least two-year-old tree roots which, given the normal and expectable course of events, will grow to felleable trees over a period of at least ten to at most twelve years. When the tree stock reaches maturity, which should be no later than twelve years after being planted in the Green-Wood-Plantation, it is harvested and sold.

2. Object of Purchase

With the purchase, the Buyer acquires a legal claim against GWI in the form of a profit-sharing right that is linked to the income that GWI will obtain from the sale of a specific number of Paulownia trees according to these GTC (hereinafter "profit-sharing right").

For this purpose, individual Paulownia Trees are allocated to the Buyer in the context of the sales process; the revenue obtained by the later sale of these Paulownia Trees is decisive for the profit-sharing right. The Paulownia Trees allocated to the respective Buyer are recorded in a corresponding inventory list with the Buyer's name and GPS coordinates. The Buyer is aware that the profit-sharing right linked to each tree is dependent on the wood quality produced by these trees and the price obtainable in the timber market. The Buyer acknowledges that they acquire neither legal nor economic ownership of the Paulownia trees. Instead ownership of the Paulownia Trees remains with GWI.

3. Sales Contract

- 3.1. The contract on the acquisition of the profit-sharing right is concluded with the Buyer's application, by signing and transmitting the order form or by clicking the button "Invest and pay now", or by GWI accepting the application. Before the Buyer makes the offer, the Buyer can view, download and store the contract documents on the respective project page – unless these were already delivered or transmitted in text form individually.
- 3.2. The amount of the profit-sharing right is dependent on the net income (according to Point 5) of the Paulownia Trees allocated to the respective Buyer. The due date of the profit-sharing right depends on the date that the income from selling the wood of the Paulownia Trees allocated to the respective Buyer according to Point 5 or the corresponding insurance pay-out according to Point 10 is received.
- 3.3. Until the profit-sharing right becomes due, GWI ensures the proper planting, cultivation and harvest of the Paulownia Trees in the Green-Wood-Plantation in accordance with Point 4.
- 3.4. The purchase price of the profit-sharing right (hereinafter the "Purchase Price") is derived from the order form and must be paid without deduction within seven days after GWI has declared the acceptance of the contractual offer. The Buyer has no additional payment obligations beyond the agreed Purchase Price. In particular, all costs incurred for planting, cultivating and harvesting the Paulownia Trees are covered by paying the Purchase Price.
- 3.5. If the contractually specified payment deadlines of the Purchase Price are exceeded by ten days or more, and as long as GWI has not received the total Purchase Price, GWI can withdraw from the Sales Contract at any time without providing reasons. Partial amounts already paid will be reimbursed within four weeks after deducting a lump-sum fee of 10 % from the total Purchase Price.
- 3.6. The specific Paulownia Trees in which the Buyer participates in the income from their sale, are legally and unrestrictedly the property of GWI.
All further guarantees are excluded subject to Point 8.1.

4. Upkeep and Harvest of Paulownia Tree

- 4.1. GWI provides the care and cultivation of the roots of the Paulownia trees until planting, the planting, maintenance and cultivation until maturity as well as the harvest of the Paulownia Trees and the sale of the wood from the Paulownia Trees. For this purpose, GWI makes use of Green Wood Service GmbH (DE) (hereinafter "GWS") as well as other contracting parties (jointly the "Contracting Parties" and individually a "Contracting Party") for specific tasks especially those connected to the cultivation and upkeep of the Paulownia Trees.
- 4.2. In order to ensure ideal growing conditions, GWI and its Contracting Parties have specialists perform regular maintenance work in order to provide the Paulownia Trees with the best nutrients, space and light possible. The activities around caring and maintaining the Paulownia Trees as well as the exact time of harvesting are determined under the following aspects: growth profile and size of the Paulownia Trees, economic factors such as the market price for exotic wood, costs and availability of labour, legal obligations.
- 4.3. In the interest of the Buyer, GWI undertakes to ensure that the Paulownia Trees are felled professionally and at the correct time. When the tree has reached a trunk diameter of about 35 to 45 cm, it is ready to be harvested. The time for harvesting is at GWI's discretion and should occur no earlier than 10 years and no later than twelve years after the at least 2-year old roots of the Paulownia Trees were planted in the Green-Wood-Plantations. If the Paulownia Trees grow at their normal rate, GWI plans to perform the final harvest after ten years (calculated from the year the at least 2-year old tree roots were planted in the relevant Green-Wood-Plantation). Should there be a slowdown in growth compared to the development plan due to climatic and/or technical circumstances, GWI reserves the right to postpone harvesting/felling by one year respectively (at most up to two additional years). The Buyer has no influence on the time of harvesting; GWI is solely responsible to decide which of the Paulownia Trees are to be felled and the time of harvesting. However, GWI will inform the Buyer about the development status of the Paulownia Trees allocate to them on a regular basis and communicate in good time beforehand whether harvesting is possible and envisaged ten years after planting, or whether harvesting will be postponed by one or at most two years.

5. Selling the Wood

- 5.1. The owner hereby accepts that GWI will offer the wood for sale to the highest bidder no later than after harvesting and pay the Buyer the net income from the wood in line with the following conditions. GWI will already start negotiating with purchasers and ideally conclude purchase contracts before harvesting.
- 5.2. Gross income corresponds to the price that GWI obtains from selling the wood of the Paulownia Trees and which is actually paid. Net income corresponds to the amount that is to be transferred to the Buyer's account.
- 5.3. In the event that the price obtained from the sale of the wood is EUR 680.00 / tree or less, net income corresponds to gross income less an administrative fee of 5% of the gross income obtained per tree.
- 5.4. In the event that the price obtained from the sale of the wood exceeds the amount of EUR 680.00 / tree, net income per tree corresponds to EUR 680.00 plus 50% of the amount which exceeds the price of EUR 680.00 / tree (less an administrative fee of EUR 34.00 / tree, i.e. 5 % of EUR 680.00 / tree).
- 5.5. GWI transfers net income obtained from the Paulownia Trees allocated to the respective Buyer to the Buyer's account without interest within 30 days after receiving the amount from the wood purchaser; if the wood is sold to different wood purchasers, part payments of the profit-sharing right are possible in this regard.

6. Areas covered by Plantations

All plantation areas of Green-Wood-Plantations are leased areas. The

main leaseholder of all Green-Wood-Plantations is GWS with which a separate agreement has been concluded with regard to the use of the Green-Wood-Plantations as well as the planting and cultivation of the Paulownia Trees.

7. Purchase Processing

- 7.1. After completing the purchase contract and the Purchase Price has been credited to GWI's account, the Buyer's data is entered into an inventory list and the Buyer receives a tree certificate (hereinafter "Tree Certificate"). Each Paulownia Tree is already numbered before being planted in the Green-Wood-Plantations. The tree numbers given to the Paulownia Trees allocated to the respective Buyer are stated on the Tree Certificate. When entering the Buyer's data in the inventory list as well as communicating the tree number stated on the Tree Certificate by handing out the Tree Certificate, the profit-sharing right with regard to the relevant Paulownia Trees stated on the Tree Certificate is established.
- 7.2. After planting the Paulownia Trees in the Green-Wood-Plantations, the Buyer will also be informed of the location and allocation data (GPS coordinates) of the Paulownia Trees in the Green-Wood-Plantations specified on the Tree Certificate.
- 7.3. The Buyer can sell or give the acquired profit-sharing right to a third party at any time, however, only by transferring all rights and duties under the purchase contract including the rights and duties arising from these GTC, and assigning the profit-sharing right to the third party. The third party is only entered into the inventory list when the person currently registered in the inventory list has sent the completely filled in and signed transfer form to GWI. The transfer form can be requested from GWI in text form at any time. Without this message, GWI considers the person last registered according to the inventory list the holder of the profit-sharing right.
- 7.4. The Tree Certificate is not considered a security in the legal sense.

8. Liability and Assurances

- 8.1. GWI guarantees the Buyer that if one or several of the Paulownia Trees allocated to them do not grow in the first year after being planted in the Green-Wood-Plantation, GWI will replace this Paulownia Trees with comparable Paulownia Trees at its costs, which will take the place of the Paulownia Tree or Trees allocated to the Buyer.
- 8.2. In no event is GWI liable for damage that is caused due to force majeure. Claims for compensation from GWI and its contracting parties are limited to damage which GWI caused intentionally or gross negligently.

9. Viewing and Harvest

- 9.1. The Buyer can view the Paulownia Trees allocated to them with regard to the profit-sharing right according to the Tree Certificate after making arrangements with the respective plantation management.

10. Product Insurance

- 10.1. In order to safeguard the Paulownia Trees growing on the Green-Wood-Plantations in the interest of the Buyer, GWI has taken out property insurance with a major German insurance company via Willis-Towers-Watson AG. The Paulownia Trees according in the inventory list and the location confirmation are insured. The

risks and damage covered by the insurance depend on the respectively valid insurance conditions. The insurance conditions can be viewed at GWI. Each Paulownia Tree is insured at a value of EUR 301 and (in view of the annual growth of the Paulownia Trees) appreciation of 5 % p.a. from the time the Paulownia Trees were planted in the Green-Wood-Plantations. In the event of a total loss, the claim is settled vis-à-vis GWI at the time of the damage event and in the event of partial loss, at the actual time of harvesting.

10.2. If there is a damage event, GWI will inform those Buyers to whom the Paulownia Trees affected by the damage event are allocated according to the inventory list of the damage event immediately and of the course of the claim settlement.

10.3. In a damage event, GWI will forward the insurance benefit received according to Point 10.1 to the Buyer concerned within 30 days after receiving the payment. In the case of partial damage, partial payments can be made on the profit-sharing right in this respect from forwarded insurance benefits and net income according to Point 5.

11. Supplements/Amendments to the Contract

Supplements and amendments to the contract can only be made jointly and are only valid in the written form. Equal to the written form are electronic transmissions that can be recorded permanently (such as fax or email).

12. Data Protection

The Buyer herewith agrees that GWI processes and electronically stores the Buyer's data in order to perform the contract.

13. Messages

GWI informs the Buyer at regular intervals, at least once a year, about the activities on and developments of the Green-Wood-Plantations.

14. Applicable Law

This Contract is subject to the laws of Switzerland. If the Buyer has placed the order as a consumer and at the time of the order had his regular place of residence in another country, the use of binding legal provisions of the respective country is not affected by the legal choice made in sentence 1.

15. Severability Clause

Should one or several provisions of this Contract be or become invalid, either partially or completely, the validity of the remaining provisions is not affected by this. The invalid provision is to be replaced by a valid provision that comes closest to the economic goal of the Parties in a legally permissible manner. The same applies to a possible contractual loophole.

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Green Wood International AG | Im Stadtwald 3 | 9400 Rorschach, Switzerland
| Email: info@treeme.ch, www.treeme.com

