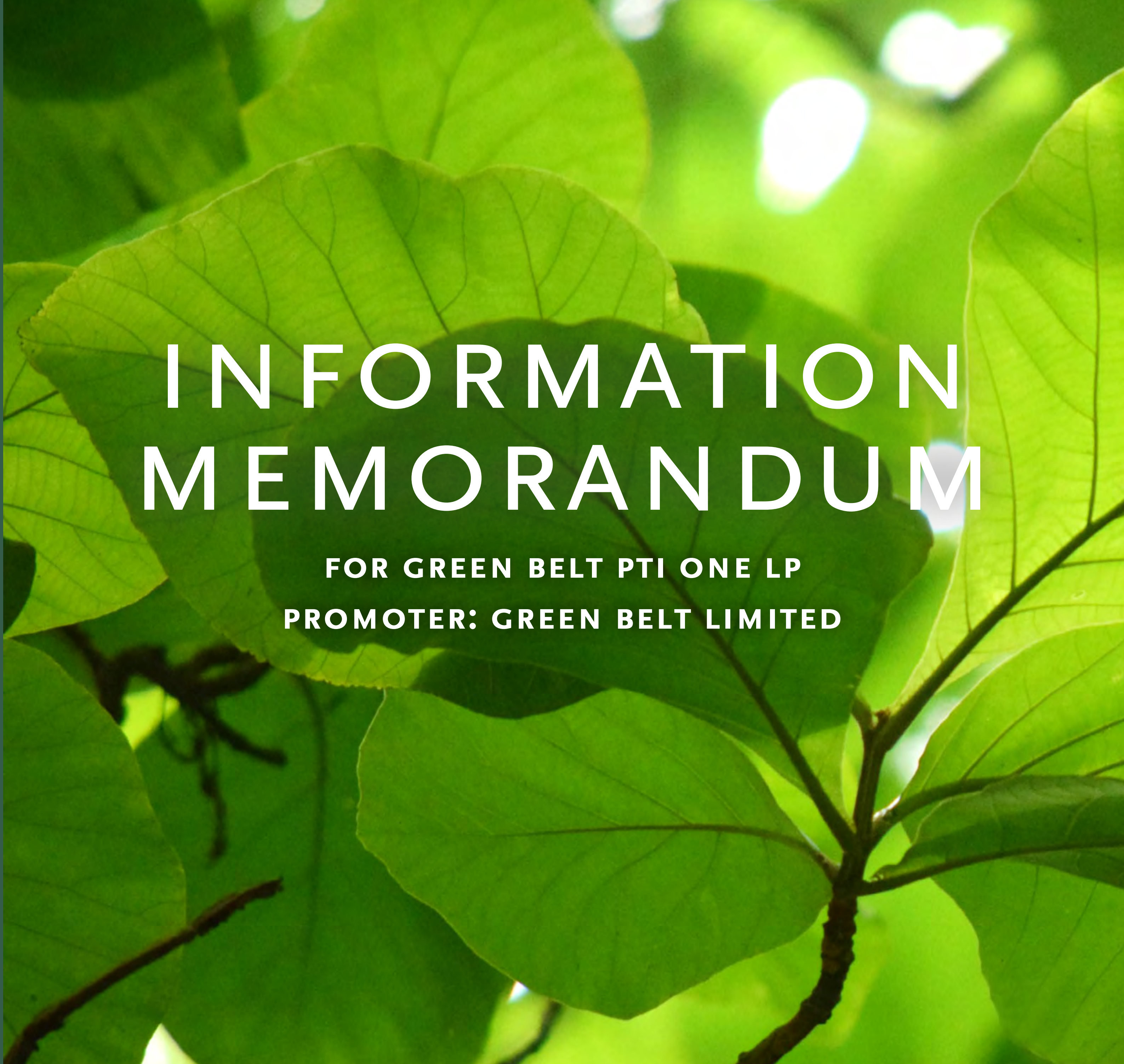


INFORMATION MEMORANDUM

FOR GREEN BELT PTI ONE LP

PROMOTER: GREEN BELT LIMITED

GREEN BELT

YOUR FOREST · YOUR FUTURE

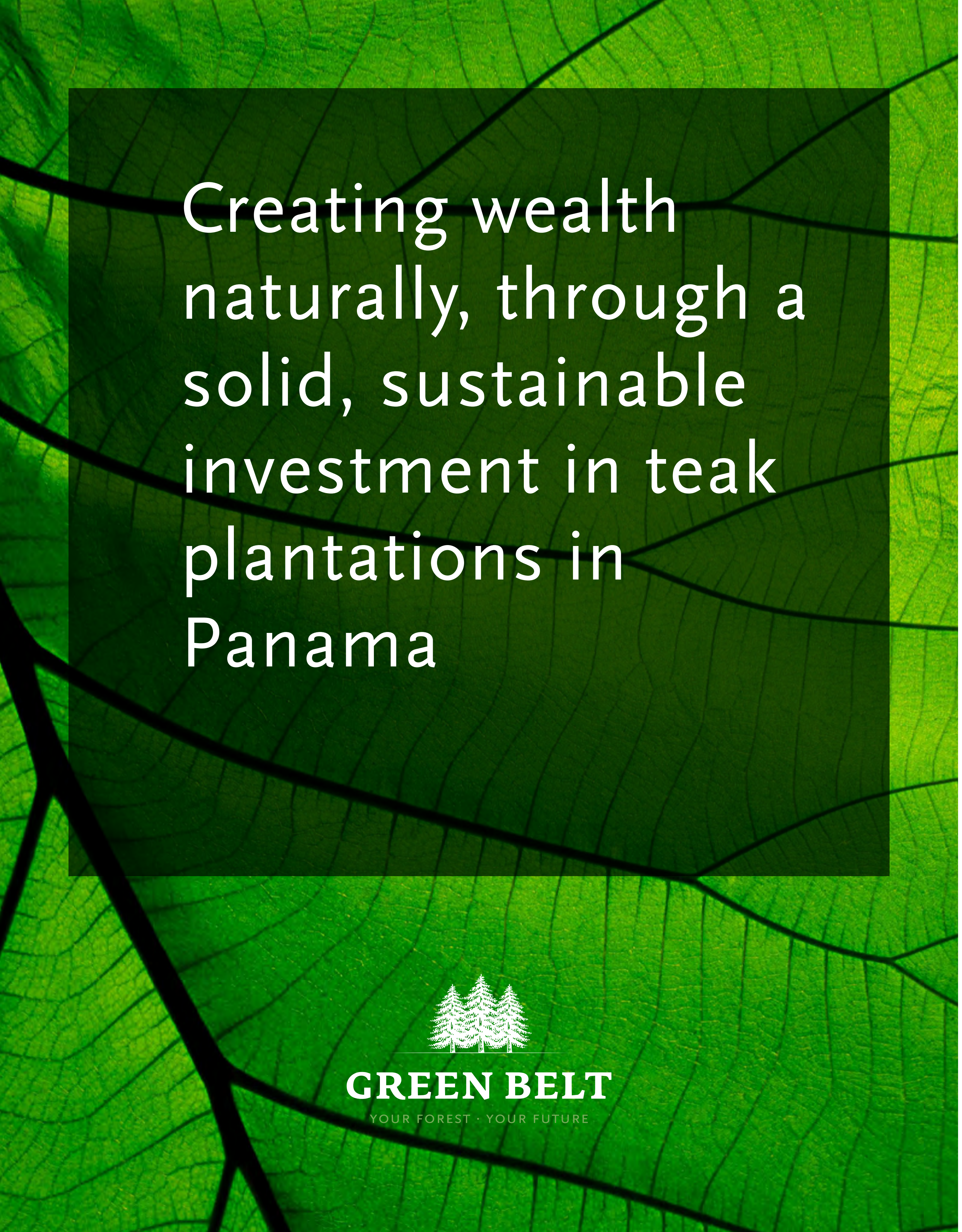


TABLE OF CONTENT

WARNING: HIGH RISK INVESTMENT OPPORTUNITY. CAPITAL AT RISK

SUMMARY

Green Belt (the Promoter) has an active investment in Panama Teak. With 212 productive hectares under management we are closing out our **Panama Teak 2 fund**.

We are targeting a compounded annual return of **5% per annum**, with a forecast exit in 2026.

The Irish registered Green Belt PTI One Limited Partnership is closing the investment into GB Panama Teak 2 (PT2) with a raise of €1.5 million.

GB PT2 has 212 productive hectares (256 gross) under management and funds raised will ensure the strong growth and performance of the exiting Teak plantations is managed to the highest standard, with a focus on sustainability.

The minimum investment into the limited partnership is €25,00 and the exit, anticipated in 2026, is targeting investors looking to consolidate their portfolio. Green Belt negotiated a successful mid rotation exit in 2013 on the original Panama Teak Investment.

Teak is one of the world's most sought after hardwoods, which historically has exhibited steady price appreciation and stable demand. The investment location, Panama, is a stable, US dollar based economy where teak plantations have already been successfully established by the Promoter and other international investor groups.

The hot and periodically moist, tropical climate and deep fertile soils provide optimal growth conditions for teak, allowing a crop of teak to be produced in c.18 to 23 years.

The Promoter and investment manager is Green Belt Limited based in Virginia, Co. Cavan. Green Belt Limited is Ireland's largest private forestry company and provides forestry management services on over 125,000 ha (c. €500,000,000 in asset value) of forestry for private and institutional investors.

Please note that the provision of this product or service does not require licensing, authorization, or registration with the Central Bank of Ireland and, as a result, it is not covered by the Central Bank's requirements designed to protect consumers or by a statutory compensation scheme. The structure is registered with the Central Bank of Ireland as an Alternative Investment Fund.

INVESTMENT RATIONALE

ASSET BACKED
The strategic deployment of the €1.5m raise will ensure the sustainable development and management of the 212 productive hectares already under management.

STABLE DEMAND
Central American teak has historically exhibited stable demand and price growth. Land prices are currently favourable for acquisition.

TURNKEY INVESTMENT
The investment is turnkey with no management required by Investors

PRIVATE PENSIONS
The investment is open to Self Administered Pension Schemes and Approved (Minimum) Retirement Funds (ARF's)

STRONG MANAGEMENT TEAM
Green Belt Ltd is an experienced forestry management company employing an experienced team with a proven track record in Ireland and Panama

LOCAL EXPERIENCE
An experienced local manager is essential to delivering a successful investment. Green Belt has built up a strong working relationship with Panama Reforestation Services SA, a leading forest management company

ETHICALLY & ENVIRONMENTALLY SOUND
The plantations are managed in line with sustainable forest management (SFM) principles and as the plantation matures independent verification may be sought.

ABOUT THE PROMOTER

The Promoter, Green Belt Ltd, was founded in 1982 to provide forestry management services to investment houses and pension funds. Green Belt has since achieved and maintained its position as Ireland's largest private forestry group. In its 40 years, Green Belt has established 165,000 hectares of private forestry across Ireland for more than 10,000 clients

Green Belt currently provides forestry management services to over 125,000 hectares c.€500,000,000 in asset value and plants an average of 2,000 hectares of new forests in Ireland each year. Its management portfolio now includes plantations owned by thousands of Irish farmers plus private and institutional investors.

The Promoter was historically active in Panama between 2007 and 2013 managing approximately 638 ha of teak plantations. This project was successfully exited in 2013, selling plantations and land to a US based Timber Investment Management Organisation, (TIMO) delivering a compounded annual return of up to 11% for investors.

PANAMA REFORESTATION SERVICES SA

The Company was started 15 years ago by Miguel Vallarino and Hessel van Straten who both have degrees in Business Administration and began their careers with large multinationals (Kraft and Shell). Miguel and Hessel have developed reforestation projects across Brazil, Costa Rica, Ecuador and Panama over the last 20 plus years. Their activities are now concentrated in Panama where their management company Panama Reforestation Services SA (PRS) has established and manages c.10,000 ha. of teak and other species for large institutional investors, including the Harvard Endowment Fund.

PRS manages the entire investment cycle, from strategic planning, acquisition of land, preparation, planting, management, all the way to harvesting and selling the timber. PRS partnered with Greenbelt as part of their previous successful investment in Panama and continue to manage the plantations on behalf of the US TIMO who ultimately purchased the historical investment.

INVESTMENT MANAGEMENT TEAM

MAURICE RYAN

Maurice (Mossie) Ryan qualified in Forestry in 1963. Mossie started his career in the Forest Service, working in forest management, spending three years in research and inventory, and working throughout Ireland in various aspects of forestry, from forest nurseries to sawmilling. Mr Ryan formed Green Belt Ltd in 1982.

MAURICE RYAN

Maurice is business development director in Green Belt and leads the investment into projects managed by Green Belt. He has extensive experience working with institutional and retail investment funds and managing assets on behalf of numerous clients. Maurice is an active board member on the Green Belt group and is tasked with valorising the forestry estate within the bioeconomy

IMEDLA CONNOLLY

Imelda is Group CEO and a highly experienced Management Accountant and Senior Executive with a demonstrable track record of effective Financial Management of a number of Companies.board member on the Green Belt group and is tasked with valorising the forestry estate within the bioeconom

Green Belt Ltd is Ireland's leading private forestry company and the national market leader in the area of new forest establishment"

EXPERIENCE IN PANAMA

> "
> **THE CURRENT INVESTMENT PROPOSAL WILL BE GREEN BELT'S SECOND VENTURE IN PANAMA, FOLLOWING AN INVESTMENT IN TEAK PLANTATIONS IN 2007, WHICH SUCCESSFULLY EXITED IN 2013, REALISING OUR TARGET RETURNS**
> "

- Mossie Ryan, MD, Green Belt Ltd

PREVIOUS INVESTMENTS

Between 2007 and 2009 Green Belt raised $4m, including a commitment of own funds, to acquire 638 hectares of agricultural land in the Darien province of Panama. In conjunction with our Panamanian partners, Panama Reforestation Company, this agricultural land was cultivated and planted with teak.

SUCCESSFUL EXIT

Following careful management over a number of years and once the plantations were successfully established, a number of US based Timber Investment Management Organisations (TIMO's) expressed an interest in acquiring the investment, having seen value in a de-risked, established portfolio with clean title held within a neat corporate structure. In 2013, a satisfactory offer was received and the sale of the investment was agreed.

INVESTMENT RETURNS (HISTORICAL)

This sale equated to an annual return in the range of 8% to 11% (depending on the year of investment), after taxes. This return was delivered during a period when international financial markets were in turmoil, resulting in those investors who had diversified their portfolio to incorporate an investment in Panama Teak, being able to cash in their investment profitably at a time when the value of most other investments, particularly property based investments, struggled to return capital in full, let alone result in a profit.

FUTURE EXPECTATIONS

2021 sees land prices in the area of operation in Panama at very affordable rates. Teak is rising in value across global markets and investors are considering forestry as a wealth protector and also the ESG aspect of an ethical investment.

TEAK PRICES

HISTORICAL: Based on price information published by the International Tropical Timber Organisation (ITTO) the plantation teak price index increased by 11.4% per annum during the period since 2009.

FORECAST: In a teak resources and market assessment Kollert and Cherubini (2012) state that the declining supply from natural teak forests may produce advantages for the long-term prospects for plantation-grown teak. They conclude that demand and consequently prices are likely to increase in the future.

INVESTMENT & EXIT STRUCTURE

STRUCTURE

- Panama Teak 2 SA (PT2) registered in Panama as a forest owner / operator in order to benefit from Panamanian tax exemptions for forestry projects. The registration process was completed with the acquisition of suitable lands and a submission of a management plan. The company notified the Panamanian Revenue of its registered status, allowing it to receive its tax exemptions.
- Based on previous experience it is anticipated that the L.P. will exit the investment on or around growth age 8 years, in year 2026
- The then established, significantly de-risked, teak plantations will be sold, as a package, to a suitable TIMO or Institutional investor.
- Profits will be earned by PT2. On foot of the tax exemption, no corporation tax will be paid on profits arising from the sale in Panama. Profits arising from the sale of the land will be taxable as a capital gain, currently at a rate of 10%, or 3% of the total value of the alienation of the cadastral value (the value attributed to the land at the point of sale), whichever is greater, plus a 2% immovable property tax on the value of the land sale.

- In the event of a PT2 share sale, then under the current Double Taxation Treaty between Ireland and Panama, the proceeds of the sale will be subject to Capital Gains Tax only in Ireland, as advised by Deloitte Panama.
- Once the sale proceeds have been received, the net profits will be distributed to the Partners (the Investors and Green Belt) (following dissolution of the Irish company if appropriate and the redemption / repayment of the LP investment in the Irish company).
- All fees, including placement fees, AIFM fees, audit and other ongoing fees, will be paid by the LP and are provided for in the illustrative returns in this Information Memorandum.
- The target return for investors entering at this stage of the investment is 5% per annum, compounded over the remaining 5 years. The raise is €1.5 million and returns are forecast net of all fees.

GOVERNANCE

All strategic decisions will be taken by the General Partner of the LP. The board of directors of the General Partner will include two executives, initially Mr Maurice Ryan and Ms Imelda Connolly plus at least two non-executive directors. The chairman will be one of the nonexecutive directors.

- The Promoter will receive a share of profits only after Investors have been repaid their initial investment. The management incentive is 25% of pre-tax profits.

- The Promoter will send the Investors an audited set of accounts (prepared by an internationally recognised accountancy firm) for the LP and an operational update on the investment each year. Audited accounts for the Panamanian company PT2 will also be made available.

- The Investment will not be regulated by the Central Bank of Ireland. The LP will be registered with the Central Bank of Ireland as an Alternative Investment Fund. Solas Financial will act as the Alternative Investment Fund Manager (AIFM).

FINANCIAL MODEL ASSUMPTIONS & RETURNS

The following table illustrates a model of estimated costs and yields. The figures provided are based on assumptions made by the Promoter from its analysis of the current and historical prices, projected trends and current yields and interest rates.

KEY ASSUMPTIONS*

GREEN BELT LANDS ACQUIRED

	PRODUCTIVE AREA				
LOCATION	2018	2019	2020	TOTAL PLANTED	TOTAL ACQUIRED
Caobonito	20.8			20.8	27
Caobonito	35.2			35.1	43.2
Caobonito		56.8		56.8	77.7
Caobonito		14	1.2	15.2	15.2
Caobonito			84.4	84.4	93.3
TOTAL	56	70.8	85.6	212.3	255.6

INVESTMENT TO DATE		€1.178m
AVERAGE PRICE PER PRODUCTIVE HECTARE		$3,100
PANAMA COST INFLATION FORECAST	%	2.5%
YEAR 1 FORESTRY ESTABLISHMENT COSTS	$/Hectare	$1,800
OVERHEAD & MANAGEMENT FEES	$/Hectare	$500
THINNING REVENUE (YEARS 6 & 12)	$/Hectare	$500
FUND SET-UP COSTS	$	$130,000
FUND ANNUAL MANAGEMENT COSTS	$	155,000
YEAR-ON-YEAR VALUATION GROWTH / COSTS	$	7.5

COSTS TO CLOSE OUT FUND

MAINTEANCE FEES	2021	2022	2023	2024	2025	2026	TOTAL
PORTFOLIO	186,707	121,560	101,228	95,384	83,208	85,731	673,818
MANAGEMENT FEES	$134,336	$43,954	$33,337	$25,518	$21,235	$21,235	€279,614
ANNUAL LAND COSTS	98,916	69,147	59,432	61407	53,513	56,036	398,454
AIF REGISTRATION FEES	25,000	25,000	25,000	25,000	25,000	25,000	150,000
	444,960	259,661	218,997	207,309	182,956	188,003	1,501,886

TARGETED RETURNS BASED ON EXIT YEAR

FINANCIAL RETURNS FORECAST

INVESTMENT SUM	€25,000
TERM	5 YEARS
EXIT YEAR Y	2026
RETURN	€31,907

- The target return is 5% (pre-tax and carried interest, net of fees) compounded per annum yielding.
- Timing of exit will be determined by the Board taking cognisance of prevailing market conditions.
- *No assurance can be given that these assumptions will not change or that the actual return will be as indicated. Assumptions are based on a proposed cumulative fund of $40m. Costs may vary based on actual fund scale.

PRIVATE INVESTORS

- Private investors can invest to protect their wealth through a limited partnership.
- Fund raising will be coordinated and managed by Green Belt Ltd.
- Audited accounts and an annual plantation update will be provided by Green Belt Ltd.
- The minimum net investment will be €25,000.
- The placement will be partnership capital.
- Funds will be drawn down in one tranche over the Offer Period.

TAXATION SUMMARY

The following is a general summary of the Irish tax implications of an investment in one of the Green Belt PTI Limited Partnerships by Investors who are resident, ordinarily resident and domiciled in Ireland for tax purposes. It is recommended that Investors take taxation advice which is specific to their facts and circumstances before making any investment. This general summary is for guidance only and is based on an interpretation of tax law and practice in Ireland, which may change over time.

The Investors will become limited partners in the LP which will wholly own, directly or indirectly, a Panamanian subsidiary, Panama Teak 2 SA (PT2). PT2 will be resident in Panama for tax purposes. PT2 will acquire and manage land in Panama and will earn revenue from thinning the forest during the term of the investment.

Given PT2 will be registered in Panama as a forestry operator, under current legislation, it will not be liable to corporation tax in Panama on income derived from its forestry operations. Any profits arising on the future sale of the land used for forestry operations will be subject to Capital Gains Tax (3%) and Immovable Property Transfer Tax (2%) in Panama.

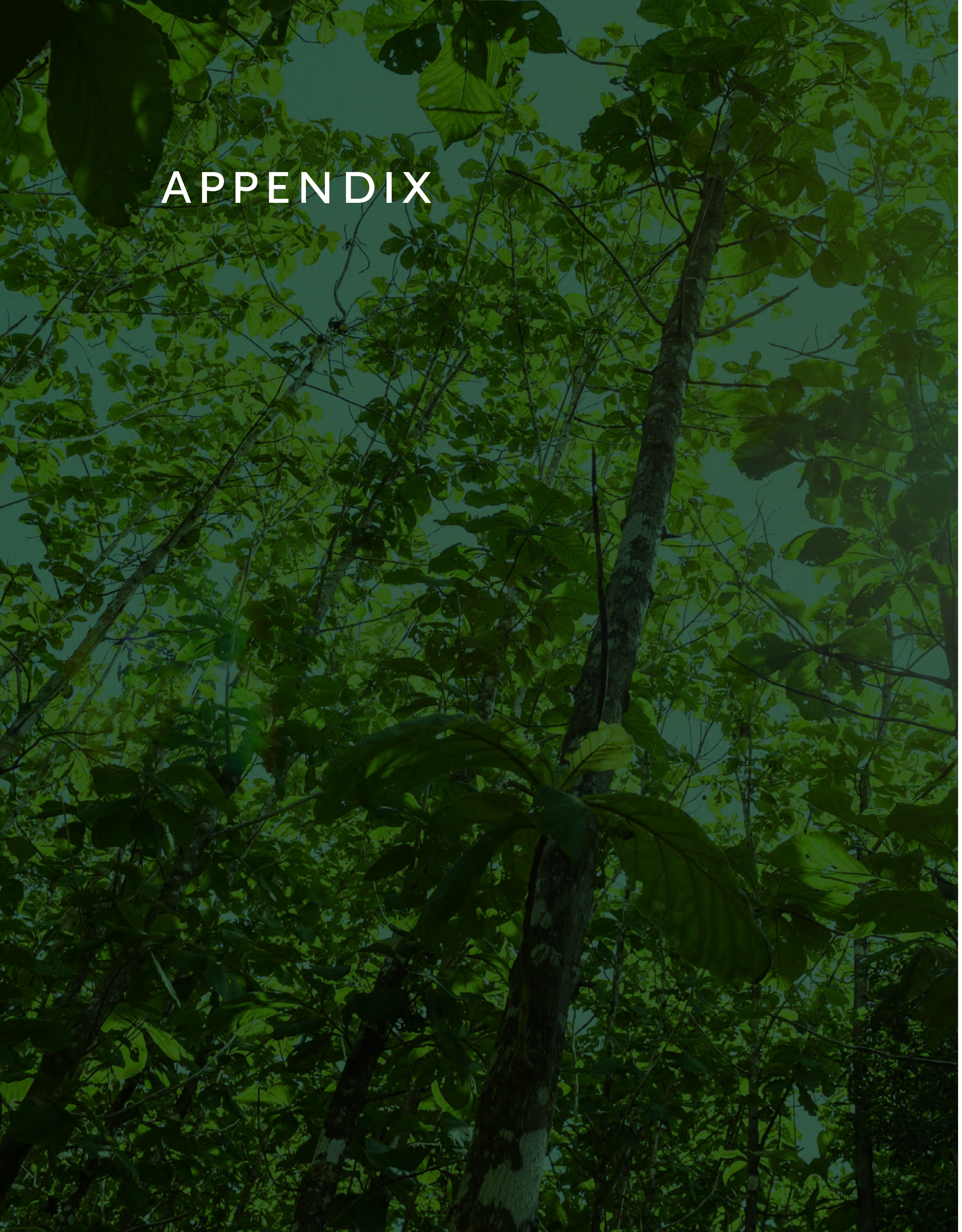
In the event of a sale of shares of PT2 on exit, then under the current Double Taxation Treaty between Ireland and Panama, the proceeds will be subject to Capital Gains Tax only in Ireland, as advised by Deloitte Panama.

Capital Gains Tax (currently at a rate of 33%) will apply to the gain in the LP by Investors who are resident or ordinarily resident in Ireland for tax purposes.

In calculating the capital gain on exit, it will be necessary to convert both investor input and investor return from dollars to euro based on the Central Bank exchange rate on both transaction dates.

No interest or dividends will be paid to the Investors during the term of the investment which is expected to be 8 to 10 years.

Further details of the likely tax implications including Deloitte's note and opinion are available on request.



DEFINITIONS

AFFORESTATION
The planting of trees for commercial purposes, in this case, teak (Tectona Grandis)

CLEARFELL (CLEAR-CUT)
A forest management method that involves the complete felling and removal of a crop of trees.

COMPANY
Green Belt PTI One LP, an Irish registered limited partnership vehicle

MANAGEMENT FEE
The annual fees payable by PT2 to Green Belt Ltd for supervising all aspects of plantation management. For the avoidance of doubt these fees are in addition to the Incentive (as hereinafter defined)

INVESTOR OR PLACE
Investor or Company to whom this Information Memorandum is made available and who opts to invest in the Company

PLANTATION
A crop of trees that has been grown through direct seeding or by planting seedlings.

PROMOTER
Green Belt Ltd.

RISK FACTORS
Those risk factors set out in this document to which the attention of the Investors is specifically drawn prior to investing in the Company.

THINNING
A partial cutting or respacing operation made in an immature forest stand to accelerate the growth of the remaining trees.

NET ASSET VALUE
Net asset value of the Company, verified by an international accountancy practice.

MANAGEMENT INCENTIVE
A management incentive will be payable to the Promoter at the end of the investment term. The management incentive is 25% of the profit realised by the LP payable on exit.

DRIVERS OF CAPITAL TIMBER VALUES

There are three principal drivers of capital timber value:

1. BIOLOGICAL GROWTH

The seasonal growth increments (natural growth) add greater timber inventories each year and obviously unaffected by external economic factors. Biological growth will account for significant amount of value adding, if an appropriate land acquisition discipline and forestry management regime is followed.

2. INGROWTH

As trees grow, there is an increase in girth and height. Therefore, as the crop matures, it is capable of producing larger logs. These logs are more valuable not only because of their greater volume, but also because larger logs can yield higher value end products. This progression from one product class to a higher value product class is called ingrowth. A typical product class hierarchy would be: pulpwood, boxwood (or pallet wood), saw log and veneer grade.

3. PRICE GROWTH

PROFESSIONAL MANAGEMENT AND MARKETING:

Professional forest management can increase the value added potential of Biological Growth and Ingrowth. Initial site selection, species/provenance/seed selection, selection of silvicultural regime, thinning intensity and timing, genetic enhancement, fertilisation, timing of clearfell and certification are all parts of a comprehensive forest management package that is essential to maximise returns. These procedures are all part of the integrated management programme provided by the Promoter.

HISTORICAL PRECEDENT:

Hardwood lumber price growth has consistently exceeded inflation for a prolonged period of time.

SHIFTING GLOBAL MARKETS:

Due to dwindling tropical supplies, plantation hardwoods are gaining prominence worldwide, and prices have been rising.

HISTORICAL PRICES OF TEAK

Based on price information published by the International Tropical Timber Organisation (ITTO) the natural teak price index increased on a long-term period since 1998 by 5.9% per annum. A comparative analysis of this index with the plantation teak price index was only possible on a shorter period, as available data for plantation teak are only available from 2009. In a direct comparison, the plantation teak price index increased at the significantly greater rate of 11.4% per annum for the period 2009-2015.

Remarkably, the price for teak logs was largely unaffected by the financial crisis in 1998 when the prices for most other tropical hardwoods collapsed. In addition, the declining supply from natural teak forests may produce advantages for the long-term prospects for plantation-grown teak with a likely increase in demand and consequently prices (Kollert and Cherubini, 2012).

At the recent World Teak Conference a leading global expert, Rahul Ahuja advised:

“THE FUTURE IS BRIGHT… PLANTING NOW IS THE PERFECT TIME”

ABOUT PANAMA

Panama is a well-located, politically stable and well-educated country. The economy in Panama is focused on banking, mining, commerce and tourism, with the canal and the shipping business playing an important role. The Government has introduced many investment incentives such as a favourable tax regime on income derived from forestry operations. Panama is now emerging as one of the world's major copper producers, with gold mining also making a contribution.

The unit of currency used in Panama is the Balboa (PAB), which is pegged at parity to the dollar. There is no Panamanian paper currency and the US dollar is the de facto official currency for all but minor transactions. Inflation in Panama is stable, estimated at 2.5% per annum for the investment period.

GEOGRAPHY

Panama lies in Central America between the Caribbean Sea and the North Pacific Ocean. There are land borders of 225 km with Colombia (west) and 330 km with Costa Rica (east). The land area totals 75,990 sq km. The capital is Panama City. The Panama Canal links the North Atlantic Ocean via the Caribbean Sea with the North Pacific Ocean.

The climate is tropical with prolonged rainy periods between May and January. Panama's international airport is connected by many international carriers to most world centres.

There are two sea ports, Balboa and Cristobal (at either end of the canal). The time zone is 5 hours behind GMT.

POPULATION

4.0 m (rising at 1.9% p.a. estimate for 2006)

SIZE

78,000 sq. km. (10% larger than Ireland)

GOVERNMENT

Constitutional democracy

GDP

US$55.2 billion

GDP GROWTH

5.4% p.a. (World Bank forecast 2018)

PANAMA AS AN INVESTMENT LOCATION

PANAMA BUSINESS ENVIRONMENT

The long-term US influence on Panama has been very beneficial, with Panama City in particular having the highest international standards in business and communications.

WHY TEAK PLANTATIONS IN PANAMA?

Panama is an attractive country in which to establish teak plantations for many reasons:

— Politically stable economy
— Attractive land prices
— Tropical climate, deep soils and heavy seasonal rainfall provide the optimal
— growth conditions for teak
— Highly developed transport infrastructure to export markets
— Strong tax incentives in place to encourage foreign investment in forestry projects
— US dollar-based economy
— Current stable inflation
— No exchange controls (i.e. no government restrictions on moving money into, or out of, Panama)
— As well as Green Belt, teak plantations have already been established in Panama by investor groups from Japan, USA and Switzerland
—

FREQUENTLY ASKED QUESTIONS

Is the Investment transferable
No, the investment will not be transferable or tradable. The General Partner or the AIFM may consent to transfer in limited circumstances.

How will I know the investment is performing?
You will receive an annual investment update including audited accounts during the investment term.

Is my investment capital guaranteed?
No. While the land being purchased will have extensive due diligence carried out on it and great care will be taken with the planting and the management of the plantations, all property and forestry transactions have an element of risk.

Is the return capped in any way?
No, the return is not capped. The structure is designed to include profit sharing incentives with the management and the promoter to enhance the value of your investment.

Why have you not factored the revenue from Carbon Credits in the return on investment analysis?
There are a number of potential markets for carbon credits from forestry projects in Panama. It is the opinion of the Promoters that the most lucrative will be the so-called traded sector in the EU. This is the sector created by the EU's Emissions Trading Scheme. This cap and trade scheme obligates polluting industrial and commercial entities to reduce their greenhouse gas emissions. Failure to do so will require that entity to purchase carbon credits from approved projects. To access this market, the teak plantations in Panama will have to be approved by the Clean Development Mechanism (CDM) Executive Board. The process of bringing a project to the CDM Executive Board is very detailed and requires the gathering of baseline data and host country approval. Panama (the host country) has approved in principle the sale of carbon credits to international markets. This is a very significant first step, but a lot of administration must be completed before the credits can be established, verified and traded. So, while the Promoters plan to fully exploit the carbon credit potential on behalf of Investors, it would be premature to include these returns in the investment analysis.

What is the potential value of the Carbon Credits?
As outlined above this is difficult to determine at this stage, and will be determined by the market into which they are traded. The medium-term predicted price for carbon credits ranges from €20 - €50/tCO_2. Teak plantations sequester c.15.4tCO_2 per hectare per annum.

How long has the Promoter been in the forestry business?
Green Belt Limited was founded in 1982

RISK FACTORS

Investors should consider the risks and uncertainties involved in investing in Green Belt PTI One Limited Partnership. Investment in forestry projects is speculative and involves a degree of financial, commercial and other risks. If you are in any doubt about the contents of this Information Memorandum you should consult an independent professional adviser authorised or exempted under the Investment Intermediaries Act 1995 or the Stock Exchange Act 1995.

While the risk factors listed below do not purport to be a complete explanation of all the risks involved in the investment, the Promoters consider that, as of the date of this Information Memorandum, the principal areas of risk for investors include the following:

Timber Market Risk

Markets for timber products can experience short-term price volatility. However, such volatility is less pronounced in high quality tropical hardwoods. Any dramatic economic downturn in global economic performance could affect the values of teak and land in Panama.

Injurious Factors

Forest plantations are generally susceptible to a range of injurious factors such as fire and wind in the first four years of growing. Teak trees then become resistant to fire as the bark is thick enough to protect the tree. Teak plantations are traditionally not prone to wind damage. Therefore it is proposed to insure the plantations against fire for the first five years only.

Investment Risk

The value of any investment can go down as well as up and the amount investors receive back from the investment may be less than the amount they originally invest. Property and forestry related assets can be difficult to value and as a result valuations can be subject to some uncertainty.

Key Personnel

The success of the investment will depend to a large extent on the abilities and continued participation of certain key employees of the Promoter. A loss of these key employees could have a material adverse effect on the investment.

Legislation

The introduction of new laws and regulation and their enforcement could have the effect of increasing the costs and lowering the income or rate of return from, as well as adversely affect the value of, the Company's assets.

Tax Risks

Tax legislation and its interpretation and practice are subject to change during the investment period. Such changes may have an adverse effect upon the investment returns.

Interest Rates & Gearing Risk

Cash reserves will be maintained to cover the annual operating costs up to around year 8 to 10 of the investment. The initial cash reserve on deposit and any subsequent short term working capital loans generate a certain degree of interest rate risk.

Liquidity Risk

This is a long term investment and the Shares to be issued to Investors will not be transferable or tradable. It will not be possible to encash, realise or transfer the investment prior to its maturity.

Foreign Exchange Risk

The investment in Panama will be in US dollars, the currency of international trade. At the end of the investment term a currency risk exists when the dollars are converted into euro.

Valuation Risk

Forest valuations are subject to uncertainty due to the lack of uniformity of product. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price. However, as a commodity, there are comparable prices that can be used to determine reasonably accurate valuations.

FURTHER INFORMATION

ADVISORS

Alternative Investment Fund Manager
Solas Financial
Island House
Great Island Enterprise Park
Ballincollig
Co Cork

Legal
JRAP O'Meara Solicitors
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T12 RPP0

Tax
Deloitte
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Ireland

IMPORTANT NOTICE

This Information Memorandum (IM) does not and is not intended to constitute investment advice. All projections, forecasts and estimates in this Information Memorandum are prepared on the basis of current information, legislation and tax practice in Ireland and Panama. This Information Memorandum is a preliminary Information Memorandum and is subject to material updating, revision and amendment. In particular, this Information Memorandum refers to certain events as having occurred which have not yet occurred but are expected to occur prior to the finalisation of this Investment Memorandum.

Recipients of this Information Memorandum should not treat the contents of this Information Memorandum as a recommendation or advice relating to the legal, taxation, investment or other matters contained in this Information Memorandum and are advised to consult their own professional advisers concerning the investing in a Green Belt Panama Teak LP as this investment may not be suitable to all investors. Any projections, estimates or opinions in this IM involve significant elements of subjective judgment.

This Information Memorandum is not available to the public nor does it constitute an offer or invitation to invest. This Information Memorandum is for the private confidential use of only those persons to whom it is addressed and is made available to those persons who have expressed an interest in investment n teak forestry and for information purposes only and is not to be reproduced for any other purpose or distributed to or used by any other person.

No person has been authorised to give any information or to make any representations other than those contained n this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised.

This IM, has not been prepared in accordance with Directive 2003/71/EC, as amended, on Prospectuses where any measures under that Directive or the laws of Ireland or of any EU Member State or EEA Treaty Adherence State that implement that Directive or those measures. This Information Memorandum has not been reviewed, prior to its being issued, by any regulatory authority in Ireland or in any other EU Member State or EEA Treaty Adherence State, and therefore may not contain all the information required where a document is prepared pursuant to that Directive or those laws. The investment is not and will not be regulated by the Central Bank of Ireland or any other regulatory authority.

- Past performance may not be a reliable guide to future performance.
- Simulated performance may not be a reliable guide to future performance.
- Investments may fall as well as rise in value.
- Income may fluctuate in accordance with market conditions and taxation arrangements.
- Changes in exchange rate may have an adverse effect on the value, price or income of the investment.

No representation or warranty, express or implied, is given by Green Belt PTI One Limited Partnership, Green Belt PTI One Limited, Green Belt Ltd or their directors as to the accuracy of the information or opinions contained in this IM and no liability is accepted for any such information or opinions or any investment made or not made. Please refer to the section titled "Risk Factors" which highlights some of the risks associated with an investment of this nature.

While all reasonable care has been taken in the preparation of this investor briefing note, any charts, projections, forecasts or estimates referred to in this Information Memorandum are prepared on the basis of current information, legislation, market and tax practice (which are all subject to change) and subject to the risk notices highlighted above and all other risk and investment considerations associated with an investment of this nature
.

This Information Memorandum may not be distributed in United States of America or in any country outside of the Republic of Ireland where such distribution or offer of investment may lead to a breach of any law or regulatory requirement.

Deloitte.

II. OUR CONSIDERATIONS

1. Exemption on Corporate Income Tax and Dividend Tax granted by Law 24 of 1992:

It is important to indicate that with respect to Corporate Income Tax, Law No. 24 of 1992 establishes that:

> ***"The earnings, of individuals or entities, which are derived from the commercialization of products extracted from forest plantations...and realized within 25 years beginning on the effective date of this Law, will be exempt from the payment of Income Taxes as long as the owner of the plantation is inscribed in the National Forest Register."***

On the other hand, Law No. 6 of 2005 amended the referenced Article of the Law of 1992 to state the following:

> ***"The earnings, of individuals or entities, which are derived exclusively from the commercialization of products extracted from forest plantations, at the time of the final cut of the forest plantation, and whose establishment is carried out within 13 years counted from the entry into force of this Law, will be exempt from the payment of Income Tax as long as the forest plantation is inscribed in the Forest Registry of the National Environment Authority"***

Please note that based on the above, in order for the entity to be able to benefit from such income tax exemption, it must be established within a 13-year period from the entry into force of Law 6 of 2005, that is, between 2013 and 2018.

It is important to mention that considering that Law 24 of 1992 provided a 25-year period for the establishment of the entity in order to have the exemption, it was interpreted that it had until 2017 to get established. However, according to the amendment made through Law 6 of 2005, it can be interpreted that an extension was granted for 13 more years, and that the establishment can be done until the year 2018 in order for the entity to benefit from the exemption mentioned in the cited article.

In addition, regarding the possible implications for dividend tax, Law 24 of 1992 establishes in article 8 the following:

> ***"Profits of bonds, stocks and securities and the profits obtained in the sale of these bonds, shares and securities, are exempt from the payment of the Income Tax".***

This article indicates that the profits received from indirect investments through shares of stock, that is dividends, were not subject to income tax, therefore, to the Dividend Tax.

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However, by Law 6 of 2005, this article was repealed and, therefore, the exemption was eliminated.

Nevertheless, it should be noted that Article 733 of the Tax Code establishes that only legal entities that require a Notice of Operation, Operating Code to operate in the Colon Free Zone, or operating in an Oil Free Zone or in any other free or special zones, or generating taxable income in the Republic of Panama (Panamanian source income), are required to withhold the Dividend Tax at a rate of 10%.

Given the above, in order for PT2 to be subject to Dividend tax it must require a Notice of Operation or generate taxable income in Panama. However, given the exemption on income tax granted trough Law 24 and the Operation Notice exemption established in article 4 of Law 5 of 2007 for individuals or entities engaged exclusively in agricultural, agroforest or similar activities, it can be concluded that PT2 is exempted from requiring a Notice of Operation.

Please consider that our analysis is based on the fact that PT2 is only engaged in this activity, however, take into consideration that in case the entity engages in any other activity, the fiscal implications mentioned above may vary.

2. Loan without payments of interests:

If a Holding company abroad grants to the reforestation company a loan without interest, the transaction will not be subject to Transfer Pricing regulations in Panama, since the company is exempt on Income Tax and Dividend Tax.

Take into consideration that regarding transfer pricing rules, Panamanian legislation establishes that such applies for transactions given between related parties provided that it affects income, costs and expenses subject to income tax in Panama.

In this sense, since PT2 is not generating any taxable income and therefore, it does not affect any income, costs and expenses subject to income tax, it will not be subject to the Transfer Pricing legislation in Panama.

Nonetheless, an issue related to the compliance with the Transfer Pricing regime for the Holding Company (lender) may arise since, the fact that it is not charging any interest for the loan granted to its related party, translates into an income that the entity is not receiving for this transaction and that could be subject to income tax in its jurisdiction, however, this will depend on the legislation applicable where the Holding company is located.

3. New dispositions of Law 69 of 2017, which provides fiscal incentives to the reforestation activity in Panama:

On October 30, 2017, Law 69 of 2017 was published which provides incentives for reforestation activities in Panama.

According to article 4, the following activities may benefit from the tax incentives established in such Law:

1. Protection and conservation of natural forests;
2. Assisted natural regeneration;
3. Natural forests restoration;
4. Agroforestry systems;
5. Sustainable forest management of natural forests;
6. **Commercial forest plantations;**
7. Processing of timber and non-timber forest products;
8. Nursery gardens;
9. Forest research, development and innovation;
10. Export of forest products provided there is a chain of custody and its proven that they come from sustained environmental reforestation.

The fiscal incentives granted by this Law are the following:

- ✓ Exoneration of income tax;
- ✓ Exoneration of property tax;
- ✓ Exoneration of property transfer tax;
- ✓ Exoneration of import duties to the goods necessary for the exclusive use of the activities framed in the Law;
- ✓ Non-reimbursable direct financing from a special program fund.

Incentives will be recognized for the cycle of recognized use, provided that they have been initiated within the first twenty years counted from the effective date of Law 69.

It is important to note that according to article 6, forestry concessions or reforestation projects that have received incentives prior to the effectiveness of this Law will not qualify for the aforementioned incentives.

In this sense, PT2 will not be able to benefit from this Law, since it is our understanding that it already enjoys tax incentives provided in Law 24 of 1992, unless they develop a new project that is within the activities previously listed.

In addition take into consideration that in order to apply the tax exemption provided in Law 69, legal persons who are owners, lessees on private lands and / or concessionaires or beneficiaries of titles constituting domain on state lands and carry out reforestation projects, must have a Forest Management Plan approved by the competent authority and implemented.

Finally, it is important to note that the tax incentives previously mentioned, granted by Law 24 of 1992, continue to be in force even though the 25-year period for the establishment of the entity in order to have the exemption expires in 2018.

On the other hand, understanding that PT2 will carry out a new project related to commercial forest plantations, the new project may apply to enjoy the tax incentives established in Law 69 of 2017 provided that the company complies with the conditions set forth in the aforementioned Law.

4. Tax implications for the capital gain derived from the sale of assets or transfer of shares of PT2 by its parent company in Ireland considering the Double Tax Treaty between Panama and Ireland

4.1 Tax treatment for the sale of immovable property:

Regarding the tax implications for the capital gain derived from the sale of assets or transfer of shares of PT2 which is fully owned by a company in Ireland, we have reviewed the dispositions of article 13 (Capital Gains) of the Double Tax Treaty (DTT) between Panama and Ireland.

> ***"1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State."***

In this sense, the previous article establishes that the capital gain obtained by a resident in Ireland from the sale of immovable property situated in Panama, will be taxed in Panama.

It should be noted that the capital gain regime for the sale of assets in Panama, depends on the type of assets that are being transferred.

Regarding the tax treatment of the sale of immovable property (land), the Income Tax will be calculated at a rate of 10% on the taxable income, which is the difference between the real value of sale and the sum of the cost of the property and the expenses necessary to carry out the transaction. In these cases, the sale in question will not be computed as a revenue for the determination of the annual taxable income of the taxpayer and the company will not have the right to deduct the amount of the transfer tax or the expense incurred in the transfer.

Nevertheless, the taxpayer is obliged to pay an amount equivalent to 3% of the total value of the alienation or the cadastral value, whichever is greater, as an advance to the Income Tax which may be considered as a definitive payment.

In the event that the 3% advance of the Income Tax, is higher than the amount resulting from applying the 10% rate on the taxable income, the taxpayer may request a refund, which may be recognized in cash or as a fiscal credit for the payment of other taxes administered by the General Directorate of Revenue or to be transferred to other taxpayers.

Likewise, the taxpayer will be subject to the payment of the Immovable Property Transfer Tax at a rate of 2% on the value of the sale (of the property) or the cadastral value of the property, whichever is great.

The payment of the Income Tax, as well as the payment of the Immovable Property Transfer Tax must be included in the deed registered in the Public Registry.

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4.2 Tax treatment for the sale of shares

Regarding the transfer of shares, article 13 of the DTT established the following:

> ***"4. Gains derived by a resident of a Contracting State from the alienation of shares, or other comparable rights representing more than 25 per cent of the vote, value or capital stock in a company which is a resident of the other Contracting State may be taxed in that other State if the alienator had held directly or indirectly such shares for a period of less than 12 months preceding the alienation.***

Given the above, it is inferred that Panamanian capital gain tax will only apply if the Irish company had held the shares of PT2 for a period of less than 12 months.

Under the application of this paragraph, the profit derived from the sale of shares of the company would be subject to taxation exclusively in Ireland.

However, the same article in the following paragraph refers to the fact that if the gain obtained from the alienation derives more than 50% of its value directly or indirectly from real estate located in Panama, the operation would be subject to the capital gain regime in Panama.

Paragraph 5 of the DTT establishes the following:

> ***"5. Gains derived by a resident of a Contracting State from the alienation of;***
>
> ***(a) shares other than shares quoted on a recognized stock exchange, deriving more than 50 per cent of their value directly or indirectly from immovable property situated in the other Contracting State; or***
>
> ***(b) an interest in a partnership or trust deriving more than 50 per cent of its value directly or indirectly from immovable property situated in the other Contracting State,***
>
> ***may be taxed in that other State."***

In this case, it is our understanding that more than 50% of the value of the sale of the shares of PT2 is derived from an immovable property situated in Panama, therefore, capital gain tax regime will apply in Panama.

In such case, Panamanian capital gain tax rate for the sale of shares is 10%. Nonetheless, the buyer is always required to withhold from the payment and remit to the Tax Authorities an amount equal to 5% on the aggregate proceeds of the sale that pertains to the Panamanian operation (within the following 10 days after execution of the transaction), which is considered as an advance capital gain tax. The seller will have the option of considering the advance as a final or definitive payment.

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If the advance tax withheld exceeds the amount resulting from applying the rate of 10% on capital gain obtained from the sale of shares, the taxpayer may request a refund on the excess withholding payment.[1]

In addition to the capital gain implications regarding the transfer of shares, our legislation establishes that stamp duty applies over any act, contract and obligation for an amount higher than ten dollars (USD 10.00), at a rate of ten cents of dollar (USD 0.10) per one hundred dollars (USD 100.00) or fraction thereof expressed in the document, as long as the document is subject to Panamanian jurisdiction, or that such document should be used before judicial and administrative authorities of the country.

4.3 Procedure for the application of Double Tax Treaty tax incentives:

Please consider that in the case of the sale of the property, the CDI would not apply. However, paragraph 4 would apply in the case where the value of the shares sold does not derive from more than 50% of the real estate located in Panama. In that case, the gain from the alienation of shares will be subject to taxation only in Ireland.

In this sense, in order for the transaction not to be taxed in Panama, the following procedure for the accreditation of tax benefits must be complied:

Resolution No. 201-12083 of July 29, 2015 regulates the procedures for the application of benefits established in Double Tax Treaties (DTT) signed by the Republic of Panama. The Resolution refers to a request or petition, through a memorial, for accreditation that the Tax Authority will evaluate and then issue a decision accepting or denying the application of the benefits.

Besides a list of requirements established in the Resolution, such as proof of the tax residency of the beneficiary, description and nature of the transaction, among others, the memorial should contain the legal reasoning that supports why the applicant believes that the benefit is applicable to the transaction; expressing the type of income and that it satisfies what is expressly stated in the article of the applicable Treaty.

Even though it is considered a request, the interested party shall proceed with the payment and withhold the tax rate it considers applicable according to the DTT and not necessarily wait for the answer of the Tax Authorities. Such authority shall issue a resolution whereby it agrees or disagrees with the application of the treaty. In case of disagreement, the tax authorities shall require the payment of the unpaid taxes according to the rate it considers applicable, plus surcharges.

Take into consideration that the beneficiary of the income must be the "ultimate beneficial owner" in the transaction, in order to apply the DTT with the jurisdiction of its Fiscal Residency. In this sense, the OECD have defined Beneficial Owner as the person who has the full right to use and enjoy the benefit unconstrained by a contractual or legal obligation to pass the payment received to another person.

[1] Consider that, in the case that the buyer and seller are not registered before the Tax Authorities as taxpayers, they must obtain a tax identification number (RUC) in order to liquidate the corresponding taxes.

In this sense, to request the application of the tax benefits granted by the DTT signed between Panama and Ireland, it is important to demonstrate that the Irish entity is the beneficial owner of the income.

5. Conclusions:

1. In order for PT2 to benefit from the income tax exemption granted in Law 6 of 2005, it must be registered in the Forest Registry of the National Environment Authority within a 13-year period from the entry into force of Law 6 of 2005. That is to say, the establishment can be done until the year 2018.
2. In order for PT2 to be subject to Dividend tax it must require a Notice of Operation or generate taxable income in Panama. However, given the exemption on income tax granted through Law 6 of 2005, the reforestation company does not generates taxable income. In addition, Law 5 of 2007 establishes an exemption from requiring a Notice Operation to entities engaged exclusively in agricultural, agroforest or similar activities. Therefore, it could be inferred that PT2 is not subject to Dividend tax. (Our analysis is based on the fact that the reforestation entity is only engaged in this activity).
3. If a Holding company abroad grants to PT2 a loan without interest, the transaction will not be subject to Transfer Pricing regulations in Panama, since the company is exempt on Income Tax and Dividend Tax.
4. Take into consideration that a Transfer Pricing issue may arise for the Holding Company abroad (lender) since it is not charging any interest for the loan granted to its related party.
5. The new dispositions of Law 69 of 2017, which provides fiscal incentives to the reforestation activity in Panama, will only apply to new reforestation projects that have not received previously tax incentives from other special laws.
6. According to article 13 of the DTT between Panama and Ireland, the sale of the property (asset) will be subject to the capital gains tax regime in Panama. Therefore, the commented transaction will be subject to 3% of the total value of the alienation or the cadastral value, whichever is greater, as an advance to the Income Tax, which may be considered as a definitive payment. Likewise, the taxpayer will be subject to the payment of the Immovable Property Transfer Tax at a rate of 2% on the value of the sale.
7. Taxation of the sale of shares of PT2 by Panama will depend on whether its value derives in more than 50%, directly or indirectly, from an immovable property situated in Panama.
8. In the event that the above is verified, the transaction will be subject to the capital gains tax regime on shares. The buyer will be required to withhold an advanced capital gain tax equal to 5% on the aggregate proceeds of the sale that pertains to the Panamanian operation and remit it to the Tax Authorities within the following 10 days

after execution of the transaction. Likewise, the transaction will be subject to stamp tax, which corresponds to 10 cents for each US$100 or fraction thereof.

9. If the value of the shares does not derive in more than 50% from a real estate located in Panama, the transaction will be subject to paragraph 4 of article 13 of the DTT.
10. Therefore, on the understanding that the shareholder holds the shares of PT2 for a period of more than 12 months, the sale of the shares only will be subject to taxation exclusively in Ireland. In such case, to use such tax benefit, the accreditation procedure provided in section 4.3 of this report must be applied.

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EXCEPTIONS

The scope of this report is limited to analyzing the legal and tax effects in Panama of the situation described. This review is based on our experience and knowledge of laws and regulations of the Republic of Panama.

Our responsibility for the conclusions and/or recommendations expressed here is limited by our understanding of the subjects discussed, based on information received from you. Changes in the terms of reference, or applicable laws or administrative or jurisdictional criteria may alter the contents thereof.

Whereas the taxable aspects could be subsequently subject to review and interpretation by the relevant Tax Authorities, there is always the possibility that their interpretation may be different from the one issued by our Firm.

The contents of this note are only to respond to your consultation and for your information, and should not be used for any other purpose or be distributed to persons outside the Company's Management.

Sincerely,

Rubén A. Irigoyen

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