
ÓVÕÁÿ&ç æÁÚolicy on Forest Protection

1.1 Business Context

ÓVÕÁÿ&ç æÁÚ employs the highest professional standards to manage our clients' assets in an economically sound, environmentally responsible and socially acceptable manner. We are committed to maintaining and improving the health and productivity our clients' forestlands in a manner that protects and enhances the environmental and economic attributes of these lands. By doing so we ensure the protection of the economic and environmental viability of these lands for current and future generations.

The continued success of our business requires the availability of natural resources over the long term. Therefore, it is sound strategy to conduct our business in a way which does not compromise the availability of adequate natural resources to future generations.

The intent of this policy is to support both a healthy environment and healthy communities. While we are committed to protecting environmental resources, we are also cognizant that our policies should not harm rural communities whose residents are dependent on forest resources for their livelihood.

ÓVÕÁÿ&ç æÁÚ requires all its managers to apply adequate resources to assess and manage the environmental and social impacts associated with the management of ÓVÕÁÿ&ç æÁÚ. In addition, ÓVÕÁÿ&ç æÁÚ applies the requirements indicated below.

1.2 Scope

This policy addresses the broad subject of forest protection across all ÓVÕÁÿ&ç æÁÚ Timberlands. The products from our clients' properties are sold across multiple domestic and international markets. By managing the properties in compliance with all applicable environmental laws and regulations and in a manner consistent with State and Federal Forestry Best Management Practices and binding International Environmental Agreements, we assure the sustainable production of both forests and forest products for future generations.

1.3 Forest Management

ÓVÕÁÿ&ç æÁÚ does not invest its client's money in nor does it manage primary tropical moist forests, areas of endangered high conservation values or World Heritage Sites. Where an area of high priority conservation interest exists or may develop within its client's ownership, ÓVÕÁÿ&ç æÁÚ will seek to negotiate cooperative arrangements with appropriate responsible conservation organizations to own or manage those sites.

Forests Containing High Conservation Values

ÓVÕÁÿ&ç æÁÚ does not typically invest their clients' assets in property where known high conservation values exist. Our objective is to invest in and manage sustainable renewable commercial forests under the appropriate forest certification programs and allow areas of high conservation value to be managed by the appropriate public or non-profit conservation entity.

Other Sensitive Habitats

All timberlands under ÓVÕÁÿ&ç æ management will be managed in a manner that recognizes and protects the environmental attributes of these lands. ÓVÕÁÿ&ç æ will manage forests containing areas with sensitive species and/or their habitats, legally designated rare and endangered species and ecosystems and critical watersheds in a manner to ensure the continued protection of these values.

Forest Certification

Portions of the US timberlands of ÓVÕÁÿ&ç æ clients are currently managed under third-party certified Forest Stewardship Council, Sustainable Forestry Initiative or American Tree Farm Group Certification Program. A portion of our international timberlands are currently certified under the Forest Stewardship Council. Non-certified properties in the US and internationally are being managed to these same high standards as we work to transition them to management under the appropriate third party certification program.

The performance on our clients' third party certified timberlands is reported annually to the American Tree Farm Program as a part of a Group Tree Farm annual report. A record of BMP performance on ÓVÕÁÿ&ç æ properties is maintained in a centralized data base and available upon request.

ÓVÕ Áÿ&ç æ is open to two way communication with stakeholders regarding legitimate concerns on the environmental stewardship of lands under our management. Inquires received by ÓVÕ and our managing partners should be forwarded to the Chief Operating Officer to ensure the appropriate level of response.

Tree Plantations

ÓVÕ's clients' plantations are located on non-forested, previously planted, or previously managed forestland.

ÓVÕÁÿ&ç æ typically invests its client's money in stands of planted trees where tree plantations have been the historic use of the property or where there are currently no natural forest (i.e. pastureland or idle agricultural land). We do not convert protected old growth natural forests to tree plantations, nor do we invest in and manage natural tropical moist forests.

1.4 Compliance with Laws and International Agreements

General

ÓVÕÁÿ&ç æ manages its clients' timberland assets in compliance with all applicable State, National, and binding International environmental agreements within the countries where we operate.

Illegal Logging

BTG Pactual client lands are acquired through a due diligence process that ensures a clear legal title to the properties. All timber harvest operations on these lands will

be conducted in accordance with tract specific management plans and in compliance with will all applicable laws and regulations.

Uncontrolled or Illegal Use of Fire

Fire use in forest plantations is strictly governed by State and Federal regulations in the US and similar rules in the international countries in which we currently operate. Any use of fire is for the benefit of the forest and the forest ecosystem and is strictly in accordance with all rules, regulations, and current science.

1.5 Rights of Indigenous and Forest-Dependent Communities

BTG respects the rights of indigenous communities whose livelihoods or cultural integrity could be adversely impacted by commercial operations in ancestral forestland. In recognition of these rights BTG Pactual will not acquire timberland where the acquisition of such timberland would have an adverse impact on any indigenous population. Our timberland acquisitions are limited to areas where land tenure is well defined and forestry is a traditional use of the land. We do not operate in areas where there is controversy or questions about land entitlement or ownership of land by native populations.

BTG Pactual is open to two way communication with local stakeholders regarding legitimate concerns on the environmental stewardship of lands under our management.

1.6 Policy Implementation

Our clients' forest lands are managed under a system of BTG procedures, management plans and certification programs designed to minimize potential impacts to air, water, wildlife and other environmental values while enhancing and sustaining the forest resource. By doing so we ensure the protection of the economic and environmental viability of these lands for current and future generations