



PRECIOUS WOODS

Precious Woods Holding Ltd
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Zug, 25 April 2016

Invitation to the 25th ordinary Annual General Meeting

On Monday, 23 May 2016, 2.30 pm, at the Volkshaus Zurich, Stauffacherstrasse 60 in Zurich, Switzerland.

Dear Shareholders

We are pleased to invite you to our ordinary General Meeting on 23 May 2016 and hope that you can attend in person. Failing this, you have the option of exercising your voting rights by proxy. The meeting will be chaired by Ernst A. Brugger, Chairman of the Board of Directors, in German.

For the first part (2.30 pm), the following agenda applies for the Annual General Meeting:

Agenda item	Motions of the Board of Directors
1. Welcome, agenda and notes on the Annual General Meeting	
2. Reporting on financial year 2015	Discussion and Note
3. Annual Report, consolidated financial statements and financial statements 2015	Approval and to note the reports of the statutory auditor
4. Consultative vote on the remuneration Report (cf. page 79 of the Annual Report 2015)	Approval
5. Discharge of the members of the Board of Directors and Management for financial year 2015	Approval
6. Carrying forward of the net loss of the year	Approval
7. Transfer statutory reserves to cover losses brought forward	Approval
8. Renewal of Article 3d of the Articles of Association (Authorized capital of 3 Mio shares)	Approval



PRECIOUS WOODS

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| 9. | Election of the Board of Directors | Elections separately for a one year term:
9a. Re-election Prof.Dr. Ernst A. Brugger
9b. Re-election Katharina Lehmann
9c. Re-election Prof. Dr. Jürgen Blaser
9d. Re-election Robert Hunink |
| 10. | Election of the auditor | To re-elect Ernst & Young AG, Zurich, for a term of one year |

In the second part (directly after the General Meeting), the presentation by **Jürgen Blaser** will take place with "New approaches in managing tropical forests".

Jürgen Blaser is Professor of International Forestry and Climate Change at Bern University of Applied Sciences, School of Agricultural, Forest and Food Sciences and a member of the Board of Directors of Precious Woods since May 2015.

Following this second part of the Annual General Meeting, we cordially invite you to an "Apéro riche".

Comments on the agenda items and motions of the Board of Directors

Explanatory notes on agenda item 7 (Transfer statutory reserves):

Under Swiss Code of Obligations Article 671, paragraph 3, the statutory reserves to cover losses may be used. As at 31.12.2015 the annual balance sheet shows that half of the share capital and statutory reserves are not sufficiently covered. Under Swiss Code of Obligations Article 725 (lower balance with legal consequences) therefore the Board of Directors makes a request to correct this by transferring CHF 25 Million from the statutory reserves.

Explanatory notes on agenda item 8 (Renewal 3d Article of Association):

The authorized capital (Article 3d of the Articles of Association) expires on 20 May 2016. To continue to ensure sufficient business flexibility, the Board of Directors applies to create new authorized capital to allow at any time performing a capital increase through the issuance of a maximum of 3 million fully paid registered shares with a nominal value of CHF 1.00 each. The term expires 25 May 2017.

The Board of Directors has demonstrated sufficient judgement in the past to be able to continue to deal responsibly with this competence, which pertains to the Annual General Meeting.



PRECIOUS WOODS

General matters

Shareholders who are unable to attend the Annual General Meeting in person may arrange to be represented by

1. The independent proxy (Dr. Urs Egli, of epartners Rechtsanwälte AG, Puls 5, Hardturmstrasse 11, 8005 Zurich), by completing the proxy form on the admission card and sending it to the independent proxy;
2. Another person with capacity to act (who need not be a shareholder), by completing the proxy form on the admission card and passing it to the designated proxy; or
3. The custodian bank, by completing the proxy form on the admission card and forwarding it to the custodian bank.

Save express contrary instructions, votes shall be cast in favour of the motions of the Board of Directors, unless additional or amendment motions are submitted to the Annual General Meeting.

Custodian proxies, in the terms of the Article 689d of the Swiss Code of Obligations, are required to inform the company of the number and par values of the shares they represent. They shall do so no later than during the admission process of the meeting. Custodian proxies shall be institutions governed by the Swiss Federal Act of 8 November 1934 on banks and savings banks and commercial asset managers.

The shareholders entered in the share register as of 06 May 2016 with voting rights shall be entitled to vote. No entries shall be made in the share register in the period from 09 to 23 May 2016.

Please return the enclosed registration form to Nimbus no later than 06 May 2016. We will be taken into account later received registrations also.

Yours sincerely

The Board of Directors

Encl.:

- Registration form for the ordinary Annual General Meeting,
- Return envelope to Nimbus
- Location plan of the Volkshaus Zürich