

THE INSTRUMENTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE INSTRUMENTS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS. FOR A FURTHER DESCRIPTION OF CERTAIN RESTRICTIONS ON THE OFFERING AND SALE OF THE INSTRUMENTS AND ON DISTRIBUTION OF THIS DOCUMENT, SEE SECTION "*SELLING RESTRICTIONS*".

# **Base Prospectus**

of

## **TIMBERLAND SECURITIES INVESTMENT PLC**

*(incorporated as a public limited liability company under the laws of Malta)*

**for the Issuance of Notes and Participation Certificates**

**21 May 2026**

This document constitutes a base prospectus (the **Base Prospectus**) for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**).

This Base Prospectus has been approved by the Swedish Financial Supervisory Authority Finansinspektionen (the **Swedish FSA**), as competent authority under the Prospectus Regulation. The Swedish FSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes and the Participation Certificates (as defined below) that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes and/or the Participation Certificates. Such approval relates only to the Notes and/or the Participation Certificates which are to be offered to the public in any member state of the European Economic Area (**EEA**).

This Base Prospectus has been prepared for the issuance of the following instruments (the **Instruments**): (i) (senior or subordinated) German fixed rate bearer notes and (senior or subordinated) Luxembourg fixed rate bearer notes (the **Bearer Notes**) and (senior or subordinated) Luxembourg fixed rate registered notes and (senior or subordinated) Maltese fixed rate registered notes (the **Registered Notes**, the Bearer Notes together with the Registered Notes, the **Notes**) and (ii) bearer participation certificates (the **Bearer Participation Certificates**), registered participation certificates (the **Registered Participation Certificates**) and equity participation instruments in bearer form (the **Equity Participation Instruments**; the Registered Participation Certificates together with the Bearer Participation Certificates and the Equity Participation Instruments, the **Participation Certificates**) issued from time to time by Timberland Securities Investment plc (the **Issuer**). In addition, the purpose of this Base Prospectus is the offer to the public of the Notes as well as of the Participation Certificates described herein – and, with respect to the Bearer Notes, the Bearer Participation Certificates and, where applicable, the Equity Participation Instruments, the admission to trading.

This Base Prospectus is to be read together with the information provided in (a) the supplements to this Base Prospectus, if any (the **Supplements**), (b) all other documents whose information is incorporated herein by reference (see the section entitled "*Documents incorporated by Reference*") as well as (c) the respective Final Terms (the **Final Terms**) prepared in accordance with each issuance of Notes or Participation Certificates.

The Issuer may request the Swedish FSA in accordance with Article 25 of the Prospectus Regulation to provide the competent authorities in the Republic of Austria, the Kingdom of Belgium, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the Federal Republic of Germany, the French Republic, Hungary, the Italian Republic, the Republic of Malta, the Netherlands, the Republic of Ireland, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain (and together with the Kingdom of Sweden collectively, the **Public Offer Jurisdictions** and each, a **Public Offer Jurisdiction**) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The publication of the Base Prospectus will be made at least one working day prior to the commencement of an offer to the public of the Instruments in the relevant Public Offer Jurisdiction.

**Supplements (if any) to this Base Prospectus will be approved by the Swedish FSA and published in accordance with Article 21 of the Prospectus Regulation. Any websites included in this Base Prospectus are for information purposes only and do neither form part of the Base Prospectus nor has such information been reviewed or approved by the Swedish FSA. The Base Prospectus is valid for a period of twelve months from the date hereof. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.**

**The terms and conditions of the Instruments are complex. An investment in the Instruments is suitable only for investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment. Some types of the Instruments (i.e. the Participation Certificates) are highly speculative according to its structure and therefore involve a high degree of risk, including the risk of a total loss of all capital invested.**

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## GENERAL DESCRIPTION OF THE OFFERING AND THE INSTRUMENTS

### I. THE OFFERING

The Issuer, Timberland Securities Investment plc, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta intends to continuously and repeatedly issue securities (i.e. the Instruments) in the form of non-equity securities under and in connection with the Base Prospectus, which comprise the following types of securities:

Notes:

- i. Senior German fixed rate bearer notes;
- ii. Subordinated German fixed rate bearer notes;
- iii. Senior Luxembourg fixed rate bearer notes;
- iv. Subordinated Luxembourg fixed rate bearer notes;
- v. Senior Luxembourg fixed rate registered notes;
- vi. Subordinated Luxembourg fixed rate registered notes;
- vii. Senior Maltese fixed rate registered notes; and
- viii. Subordinated Maltese fixed rate registered notes.

Participation Certificates:

- i. Participation Certificates in bearer form;
- ii. Participation Certificates in registered form; and
- iii. Equity Participation Instruments in bearer form

The Notes are subject to, and governed by, the relevant terms and conditions fully described in the section entitled "*Terms and Conditions of the Notes*" (the **Notes Conditions**) and the Participation Certificates are subject to, and governed by, the relevant terms and conditions fully described in the section entitled "*Terms and Conditions of the Participation Certificates*" (the **Participation Certificates Conditions**). The terms "Notes" and "Bonds" are used interchangeably in this Base Prospectus and the respective Notes Conditions and have the same meaning.

The Instruments may be issued in the form of public offerings (non-exempt offers) or private placements (exempt offers). To the extent any Distribution Agent is involved in the relevant issue of the Instruments, this will be specified in the relevant Final Terms. A maximum aggregate principal amount of the Instruments at any time outstanding under the Base Prospectus has not been set.

Instruments may be issued on a continuous basis in so-called tranches, each tranche consisting of Instruments which are identical in all respects. One or more tranches, which are expressed to be consolidated and forming a single series and identical in all respects, but having different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series of Instruments.

Instruments will be issued in such denominations as may be agreed between the Issuer and the relevant Distribution Agent(s) and as indicated in the Final Terms. Instruments may be issued at an issue price which is at par or at a discount to, or premium over, par, as stated in the Final Terms (and may include accrued interest). The Instruments are freely transferable; with respect to Instruments in registered form,

certain specific requirements in terms of the transferability apply (as set out in the relevant Notes Conditions or Participation Certificates Conditions).

Application with respect to each tranche of Instruments may be made with respect to each tranche of Instruments for such Instruments to list Instruments on (i) the Euronext Paris, the Euronext Brussels, the Euronext Dublin, the Borsa Italiana, the Vienna MTF market of the Vienna Stock Exchange, the MTF market of the Stuttgart Stock Exchange, the MTF market of the Frankfurt Stock Exchange, the Prospects MTF of the Malta Stock Exchange, the Nasdaq Stockholm and the Nordic Growth Market NGM or any other unregulated market(s) and/or organised trading facilities (OTF) within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU or (ii) the regulated markets of the Euronext Paris, the Euronext Brussels, the Euronext Dublin, the Borsa Italiana, the Irish Stock Exchange, the Vienna Stock Exchange, the Malta Stock Exchange and the Nasdaq Stockholm or any other regulated market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

Instruments will be accepted for clearing through one or more clearing systems as specified in the Final Terms and subject to its form (bearer form or registered form). These systems will include those operated by Clearstream Europe AG, Clearstream Banking S.A., Euroclear Bank SA/NV, Central Securities Depository of the Malta Stock Exchange, OeKB CSD, SIX SIS AG, Euroclear Sweden AB, and Euronext Securities Milan (Monte Titoli S.P.A.).

According to the relevant Final Terms, Quirin Privatbank AG (or any other credit institution mandated) will act as fiscal agent (which may be the appointed paying agent) with respect to Instruments cleared through Clearstream Europe AG or Clearstream Banking S.A. and Euroclear Bank SA/NV.

In case an investor finances the acquisition of Instruments with a loan, it not only has to accept the loss incurred if his expectations are not met, but also has to pay interest on and repay the loan and his risk of loss increases considerably. Before acquiring the Instruments and taking out the loan, the investor must check his financial circumstances to see whether it has sufficient funds to pay interest and, if necessary, repay the loan in the short term, even if losses occur.

## **II. THE INSTRUMENTS**

This sub-section "*The Instruments*" is an abstract description of the possible structures of instruments the Issuer may issue under this Base Prospectus. In accordance with this Base Prospectus and the applicable terms and conditions, the Issuer may issue either (senior or subordinated) German fixed rate bearer notes, (senior or subordinated) Luxembourg fixed rate bearer notes, (senior or subordinated) Luxembourg fixed rate registered notes or (senior or subordinated) Maltese fixed rate registered notes as well as participation certificates in bearer form, participation certificates in registered form and equity participation instruments in bearer form.

A brief overview of certain elements of the Notes and the Participation Certificates is set out below. All capitalised terms in this sub-section "*The Instruments*" which are not otherwise defined herein shall have the same meaning as in the Notes Conditions or Participation Certificates Conditions (as applicable).

### **1. Description of the Notes**

#### **a) General Features of the Notes**

##### ***Status***

Unless expressly otherwise specified in the relevant Final Terms, the obligations of the Issuer under the senior Notes are unsecured and unsubordinated ranking pari passu without any preference among themselves and pari passu with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law. Where security is specified in the relevant Final Terms, the nature, scope, ranking and enforcement of

such security will be as set out in the relevant Final Terms. Any such security does not alter the contractual ranking or subordination of the claims under the Notes.

To the extent the Notes are set up as subordinated Notes, the Notes constitute direct and subordinated obligations of the Issuer. Unless expressly otherwise specified in the relevant Final Terms, such subordinated Notes are unsecured. This means that the obligations of the Issuer under the subordinated Notes will rank (i) junior to all present or future unsubordinated instruments or obligations of the Issuer, (ii) pari passu among themselves, and (iii) senior to all present or future obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes.

### ***Form and Securitisation***

The Notes issued in accordance with Option I, Option II, Option III and Option IV will be issued in bearer form only and may be represented by a Permanent Global Note or a Temporary Global Note exchangeable for a Permanent Global Note. Notes in definitive form and interest coupons will not be issued.

The Notes issued in accordance with Option V and Option VI are in registered form. Ownership in respect of the Notes is established by the registration in the Issuer Register. Rights and title of the Noteholders (and its assignees in and to the Notes) shall be transferable only upon notation of such transfer in the Register.

The Notes issued in accordance with Option VII and Option VIII are in registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the Electronic Register maintained on behalf of the Issuer at the relevant CSD. Ownership in respect of the Notes is established by the appropriate entry in the Electronic Register. For as long as any of the securities issued by the company shall be and remain dematerialised under the Financial Markets Act (Cap 345 of the Laws of Malta) the terms and conditions relating to such securities including without prejudice to the generality of the foregoing, their issuance, transfer, exchange, redemption and or cancellation shall be governed in accordance with the applicable rules and procedures set out by the relevant central securities depository providing dematerialisation and any other provision shall apply only to the extent that it is not inconsistent with such rules and procedures.

### ***Payment of Distributions and Interest***

The Notes to be issued under this Base Prospectus pay fixed amounts of distributions (or interest, as applicable) specified in the relevant Final Terms. The Notes provide for only one rate of distributions (or interest rate, as applicable) for each relevant period (but, in addition, as applicable, with a steepening mechanism). Distributions (or interest) will be scheduled to be paid either annually or semi-annually (or as otherwise determined in the Final Terms) in arrears. The respective amount of distributions (or interest) falls due for payment on the relevant distribution payment date (or interest payment date, as applicable). In addition, the Notes may provide for a so-called first short/long coupon or last short/long coupon.

In addition (and if applicable to the relevant Final Terms), the Notes may (temporarily) pay an increased interest rate subject to the fulfilment of certain conditions stipulated in the relevant Final Terms.

The payment of distributions (or interest) may, in case applicable according to the relevant Final Terms, subject to the provisions relating to a (qualified) subordination clause and pre-insolvency enforcement block.

### ***Governing Law***

Notes issued in connection with Option I and Option II shall be governed by, and shall be construed exclusively in accordance with, German law.

Notes issued in connection with Option III, Option IV, Option V and Option VI shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for (i) the qualified subordination clause (if applicable when set up as subordinated notes) as governed by the provision *Status*, which shall be applying mutatis mutandis in the meaning to the laws of Germany (unless mandatory rules and laws of another EU member state apply) and (ii) the provision entitled *Meeting of Noteholders* which shall be subject to the laws of Luxembourg (unless mandatory rules and laws of another EU member state apply).

Notes issued in connection with Option VII and Option VIII shall be governed by, and shall be construed exclusively in accordance with, Maltese law except for the qualified subordination clause (if applicable when set up as subordinated notes) as governed by the provision *Status*, which shall be applying mutatis mutandis in the meaning to the laws of Germany (unless mandatory rules and laws of another EU member state apply).

## **b) Special Features of the Notes**

***(Qualified) Subordination clause and pre-insolvency enforcement block (each in the terminology of the court decision of the German Federal Court of Justice of 6 December 2018 (Reference: IX ZR 143/27))***

Subordinated Notes may provide (to the extent applicable according to the relevant Final Terms) for a (qualified) subordination clause and may, in addition, provide for a pre-insolvency enforcement block. In such scenario, the claims arising from the subordinated Notes create subordinated creditor rights in relation to claims of other creditors of the Issuer. This means that, in order to avoid over-indebtedness within the meaning of section 17 of the German Insolvency Code or imminent insolvency within the meaning of section 18 of the German Insolvency Code or insolvency within the meaning of section 19 of the German Insolvency Code as amended (pre-insolvency enforcement block) of the Issuer under insolvency law within the meaning of sections 17, 18 and/or 19 of the German Insolvency Code, only satisfaction of lower-ranking claims until the claims of the non-lower-ranking insolvency creditors (see section 38 of the German Insolvency Code) have been satisfied and in the event of liquidation proceedings being conducted pursuant to section 39 para. (2) of the German Insolvency Code, the Issuer must have a right to claim subordination in relation to claims of other creditors of the Issuer with regard to all present and future claims of Noteholders arising from the subordinated Notes. These subordinated claims include claims with respect to payment of interest and repayment of the capital. The respective subordination is agreed in such a way that all claims of Noteholders will only be satisfied in case, and subject to the fact, that all claims and demands of all existing and future creditors of the Issuer described in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code have been satisfied.

The pre-insolvency enforcement block applies to the period before the opening of possible insolvency proceedings. Consequently, the Noteholder may already not demand fulfilment of existing claims arising from the subordinated Notes if the Issuer is over-indebted or insolvent or threatens to become so at the time of the Noteholder's demand for payment.

With reference to the above, the pre-insolvency enforcement block can lead to a permanent, indefinite non-performance of the Noteholder's claims.

This leads first of all to the fact that the Noteholder's claims are not satisfied until the claims of the non-lower-ranking insolvency creditors (see section 38 of the German Insolvency Code) have been satisfied. All creditors who at the time of the opening of the insolvency proceedings have a justified claim to assets (here: a claim for payment) against the debtor (here: the Issuer) qualify as insolvency creditors.

In addition, the Noteholder's claims will only be satisfied after the claims of the subordinate insolvency creditors (see section 39 of the German Insolvency Code) have been satisfied, provided that distributable insolvency assets still exist. The subordinated claims within the meaning of section 39 para. (1) of the German Insolvency Code are

- (1) the interest and default surcharges on claims of the creditors of the insolvency proceedings which have been running since the opening of the insolvency proceedings;
- (2) the costs incurred by the individual creditors of the insolvency proceedings by their participation in the proceedings;
- (3) fines, administrative fines and periodic penalty payments as well as such incidental consequences of a criminal offence or administrative offence which make it obligatory to pay money;
- (4) claims for free performance by the debtor; and
- (5) under the conditions laid down in paragraphs 4 and 5, claims for repayment of a shareholder's loan or claims arising out of legal acts economically equivalent to such a loan.

The Noteholder may assert claims arising from the subordinated Notes, in particular the claim to payment of interest and repayment of the capital, outside of insolvency proceedings of the Issuer only from any (a) future profits, (b) a liquidation surplus or (c) from other free assets of the Issuer.

However, the Notes Conditions do not include a waiver agreement or a declaration by the Noteholder of a waiver with regard to claims which exist in connection with the subordinated Notes in the Noteholder's favour.

In the event of a payment by the Issuer in breach of a payment prohibition, the Issuer is entitled to demand repayment of the amount received from the payee and to take legal action.

Thus, the payments under the subordinated Notes may, in case applicable according to the relevant Final Terms, be subject to the provisions relating to a (qualified) subordination clause and pre-insolvency enforcement block.

### ***Redemption***

Subject to certain special events as determined in the applicable Final Terms, the Notes will be redeemed at their respective redemption amount at their stated maturity.

### ***Redemption Extension Feature***

To the extent applicable according to the relevant Final Terms, the Notes are extendible at the option of the Issuer on the Initial Maturity Date and on any Extended Maturity Date on which the Notes are outstanding, to the next following Extended Maturity Date or Final Maturity Date, at the Extended Maturity Rate of Distributions in respect of the relevant Distribution Period, but in no event beyond the Final Maturity Date.

The Issuer will be deemed to have exercised its option to extend the term of the Notes to the next following Extended Maturity Date or Final Maturity Date, as applicable, unless the Issuer advises either the Fiscal Agent and/or Paying Agent and the Clearing System in writing to of its intention not to extend the term of the Notes at least a predefined number of Payment Business Days prior to the Initial Maturity Date or the relevant Extended Maturity Date.

### ***Make-whole Call Feature***

The Issuer may also elect to redeem all, but not some only, of the Notes at an amount calculated on a "make whole" basis. The make-whole call enables the early redemption by the Issuer of the outstanding Notes, in whole, at a price which depends on a positive difference (if any) the present value of the Principal Amount of the relevant Note and the remaining scheduled distribution payments on such Note (discounted with the Benchmark Yield plus 0.5 percentage points) over the Principal Amount of such Note.

### ***Early Redemption***

If specified in the relevant Final Terms, the Notes may be redeemed prior to maturity for reasons of taxation or upon the occurrence of an event of default. In addition, the relevant Final Terms may specify a put option of the Noteholders. A put option gives the Noteholder the right to require the Issuer to redeem its Notes on a specified redemption date.

Moreover, the Notes may include a call option of the Issuer. A call option gives the Issuer the right (but not the obligation) to redeem the Notes on specified call redemption date(s). The respective call redemption amount payable on exercise of the call option will be set out in the applicable Final Terms.

### ***Meeting of Noteholders***

The Notes may contain provisions pursuant to which Noteholders may agree by resolution to amend the Notes Conditions and to decide upon certain other matters regarding the Notes. Resolutions of Noteholders properly adopted by vote taken in a meeting in accordance with the Notes Conditions are binding upon all Noteholders.

### ***Substitution of the Issuer***

The Notes may provide for a mechanism to entitle the Issuer to substitute for itself as the Issuer another person. The latter mentioned legal mechanism is subject to certain mandatory requirements as stipulated in the relevant Final Terms. The afore-mentioned substitution may apply without the requirement of a given consent of the Noteholders.

## **2. Description of the Participation Certificates**

### **a) General Description of the Participation Certificates**

For the purposes of this Base Prospectus, the term "Participation Certificates" comprises two structurally distinct categories of instruments:

(i) debt-style Participation Certificates; and

(ii) Equity Participation Instruments.

Although both categories are subordinated and do not confer voting rights, they differ fundamentally in their payment mechanics, maturity profile, repayment structure and economic risk allocation.

Debt-style Participation Certificates are subordinated debt instruments which provide for a nominal repayment claim, subject to the specific loss participation, replenishment and backpayment mechanics described in the relevant terms and conditions.

Equity Participation Instruments are perpetual, equity-like participation instruments. They do not provide for a fixed maturity, no fixed interest and no unconditional entitlement to repayment of their nominal amount. Instead, they provide for variable profit participation and, upon an issuer call, for a Settlement Amount linked to the Net Equity Value of the Issuer.

Accordingly, references in this section to Participation Certificates shall not be understood as implying that both categories operate in the same manner.

#### **I) Participation Certificates in terms of **debt** instrument**

Debt-style Participation Certificates constitute subordinated debt instruments. They provide for a nominal repayment claim at maturity or, if applicable, upon earlier redemption, subject to the specific loss participation, replenishment and backpayment mechanics set out in the relevant terms and conditions.

Accordingly, losses of the Issuer may reduce the repayment claim of the holders, either temporarily or permanently, depending on the applicable terms. To the extent provided for in the relevant Final Terms, such reduction may subsequently be replenished by later profits.

Any annual distribution under debt-style Participation Certificates does not constitute a shareholder dividend and does not confer equity membership rights.

The following simplified examples of different profit participation rights and their development over time are only for illustration purposes.

These are merely non-binding simplified examples of possible courses of investments in participation certificates. The possible development of investments in profit participation certificates may, of course, vary considerably depending on the respective balance sheet loss/accumulated loss of the Issuer (if any) and the aggregate amount of the profit participation rights issued or other instruments of equal ranking. Insofar the examples cannot describe all potential scenarios that might take place but they are rather simplified examples for the scenarios (i) no loss participation takes place, (ii) interim loss participation (unrealized if during the duration of the profit participation certificates no call takes place and or maturity takes place) and (ii) loss participation takes place at maturity.

### Example 1

Year	Nominal Amount	Interest per annum	Profit/Loss of the Issuer (pro rata per Participation Certificate) (before interest payment to Participation Certificates)	Interest payment in per cent per annum	Balance Sheet profit or loss carried forward	Accumulated loss of the Issuer	Loss participation for profit participation certificates (as applicable)	Repayment in case of maturity or called Participation Certificate
1	10,000.00	4.00	750.00	400.00	350.00	0.00	0.00	10,000.00
2	10,000.00	4.00	750.00	400.00	700.00	0.00	0.00	10,000.00
3	10,000.00	4.00	500.00	400.00	800.00	0.00	0.00	10,000.00
4	10,000.00	4.00	500.00	400.00	900.00	0.00	0.00	10,000.00
5	10,000.00	4.00	-100.00	400.00	400.00	0.00	0.00	10,000.00
6	10,000.00	4.00	0.00	400.00	0.00	0.00	0.00	10,000.00
7	10,000.00	4.00	500.00	400.00	100.00	0.00	0.00	10,000.00
8	10,000.00	4.00	500.00	400.00	200.00	0.00	0.00	10,000.00
9	10,000.00	4.00	500.00	400.00	300.00	0.00	0.00	10,000.00
10	10,000.00	4.00	500.00	400.00	400.00	0.00	0.00	10,000.00
All amounts in Euro								

### Example 2

Year	Nominal Amount	Interest per annum	Profit/Loss of the Issuer (pro rata per Participation Certificate) (before interest payment to Participation Certificates)	Interest payment in per cent per annum	Balance Sheet profit or loss carried forward	Accumulated loss of the Issuer	Loss participation for profit participation certificates (as applicable)	Repayment in case of maturity or called Participation Certificate
1	10,000.00	4.00	1,000.00	400.00	600.00	0.00	0.00	10,000.00
2	10,000.00	4.00	100.00	400.00	300.00	0.00	0.00	10,000.00
3	10,000.00	4.00	100.00	400.00	0.00	0.00	0.00	10,000.00
4	10,000.00	4.00	100.00	400.00	-300.00	-300.00	0.00	9,700.00
5	10,000.00	4.00	-100.00	400.00	-800.00	-800.00	0.00	9,200.00
6	10,000.00	4.00	500.00	400.00	-700.00	-700.00	0.00	9,300.00
7	10,000.00	4.00	500.00	400.00	-600.00	-600.00	0.00	9,400.00
8	10,000.00	4.00	750.00	400.00	-250.00	-250.00	0.00	9,750.00
9	10,000.00	4.00	750.00	400.00	100.00	0.00	0.00	10,000.00
10	10,000.00	4.00	1,000.00	400.00	700.00	0.00	0.00	10,000.00
All amounts in Euro								

### Example 3

Year	Nominal Amount	Interest per annum in per cent	Profit/Loss of the Issuer (pro rata per Participation Certificate) (before interest payment to Participation Certificates)	Interest payment	Balance Sheet profit or loss carried forward	Accumulated loss of the Issuer	Loss participation for profit participation certificates (as applicable)	Repayment in case of maturity or called Participation Certificate
1	10,000.00	4.00	1,000.00	400.00	600.00	0.00	0.00	10,000.00
2	10,000.00	4.00	100.00	400.00	300.00	0.00	0.00	10,000.00
3	10,000.00	4.00	100.00	400.00	0.00	0.00	0.00	10,000.00
4	10,000.00	4.00	100.00	400.00	-300.00	-300.00	-300.00	9,700.00
5	10,000.00	4.00	-100.00	400.00	-800.00	-800.00	-800.00	9,200.00
6	10,000.00	4.00	500.00	400.00	-700.00	-700.00	-700.00	9,300.00
7	10,000.00	4.00	500.00	400.00	-600.00	-600.00	-600.00	9,400.00
8	10,000.00	4.00	-500.00	400.00	-1,500.00	-1,500.00	-1,500.00	8,500.00
9	10,000.00	4.00	0.00	400.00	-1,900.00	-1,900.00	-1,900.00	8,100.00
10	10,000.00	4.00	0.00	400.00	-2,300.00	-2,300.00	-2,300.00	7,700.00
All amounts in Euro								

## II) Participation Certificates in terms of an **equity-like** instrument (Equity Participation Instruments)

Equity Participation Instruments are perpetual, non-voting, profit-participating instruments with equity-like economic characteristics.

They do not provide fixed-income features, no contractual maturity and no unconditional entitlement to repayment of their nominal amount. Holders of Equity Participation Instruments do not have an ordinary termination right. A payment to holders upon termination arises only if and when the Issuer exercises its call right in accordance with the applicable terms and conditions.

Unlike debt-style Participation Certificates, Equity Participation Instruments do not provide for a repayment claim in the nominal amount at maturity. Instead, upon an issuer call, holders are entitled to a Settlement Amount determined in accordance with the applicable terms and conditions and linked to the Net Equity Value of the Issuer. The Settlement Amount may be below the nominal amount or equal to zero.

Equity Participation Instruments do not bear interest. Instead, they may participate in variable annual distributions, if any, by reference to the Participation Pool and the financial performance of the Issuer. Such distributions are not fixed, are not guaranteed and may be zero in any given financial year.

Undistributed amounts do not accrue as claims for later payment. They remain within the equity of the Issuer and may affect the Net Equity Value.

The term "dividend" as used in this Base Prospectus in connection with Equity Participation Instruments serves solely to distinguish such variable equity-like distributions from interest under debt instruments. It does not imply shareholder status, voting rights or any corporate law membership rights.

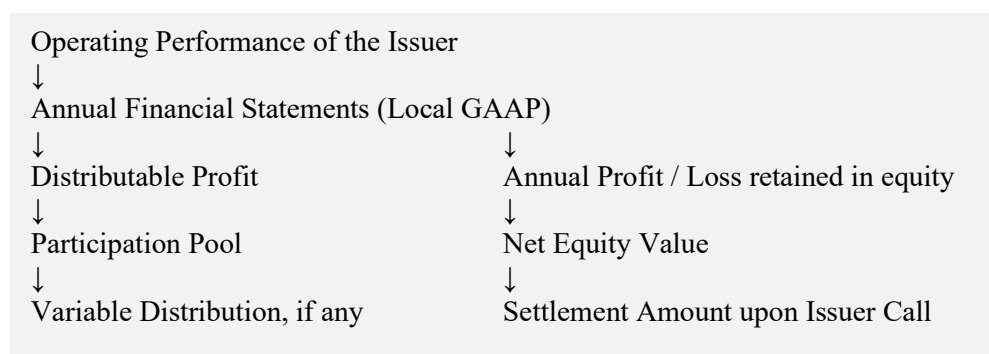
### **Illustrative Examples for Equity Participation Instruments**

The following examples relate exclusively to Equity Participation Instruments and do not apply to debt-style Participation Certificates.

They illustrate (i) the annual calculation of variable distributions, if any, by reference to the Participation Pool and (ii) a possible Settlement Amount upon an issuer call. They do not describe fixed interest, accrued return or any unconditional repayment of the nominal amount.

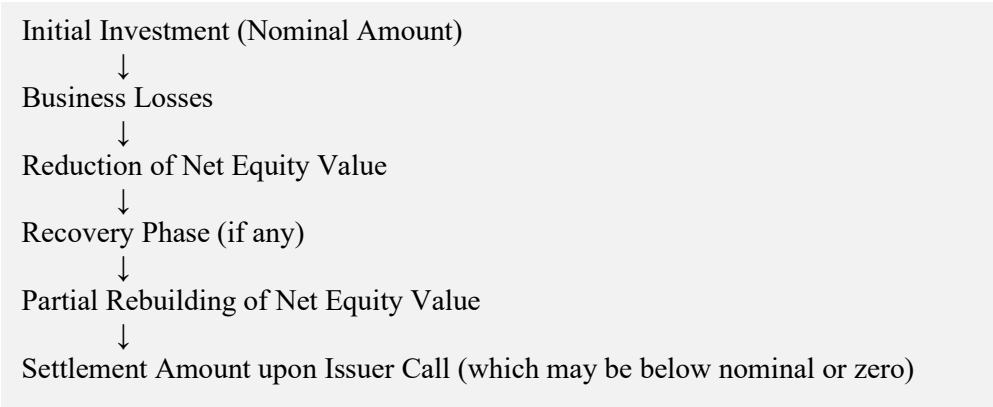
### **Flow Chart of the Economic Mechanics of the Equity Participation Instruments**

The economic mechanics of the Equity Participation Instruments consist of two distinct levels: (i) the annual determination of variable distributions, if any, by reference to the Participation Pool, and (ii) the separate development of the Net Equity Value, which is relevant for the Settlement Amount only if the Issuer exercises its call right.



The chart is intended solely to illustrate the mechanics of the instrument. It does not imply that any annual distribution will be made or that the Settlement Amount will equal the nominal amount.

**Illustrative Development of Net Equity Value in a Loss and Recovery Scenario**



**Example 1:**

**Positive Business Development with Continuous Profit Participation**

An investor holds Equity Participation Instruments with a nominal amount of EUR 10,000.

The Issuer generates positive results over several financial years.

The Participation Pool equals 30% of the Distributable Profit.

Year	Profit (pro rata)	Participation Pool (30%)	Distribution
1	EUR 1,000	EUR 300	EUR 300
2	EUR 1,200	EUR 360	EUR 360
3	EUR 900	EUR 270	EUR 270
4	EUR 800	EUR 240	EUR 240
5	EUR 1,100	EUR 330	EUR 330
6	EUR 1,300	EUR 390	EUR 390
7	EUR 1,000	EUR 300	EUR 300
8	EUR 1,200	EUR 360	EUR 360

**Explanation:**

Distributions fluctuate in line with the Issuer's financial performance. There is no entitlement to fixed or stable payments.

**Example 2:**

**Volatile Business Development with Partial or No Distributions**

An investor holds Equity Participation Instruments with a nominal amount of EUR 10,000.

The Issuer's financial performance varies over time.

Year	Profit / Loss (pro rata)	Participation Pool (30%)	Distribution
1	EUR 1,000	EUR 300	EUR 300
2	EUR 400	EUR 120	EUR 120

**Year Profit / Loss (pro rata) Participation Pool (30%) Distribution**

3	EUR 100	EUR 30	EUR 30
4	EUR 0	EUR 0	EUR 0
5	EUR -300	EUR 0	EUR 0
6	EUR 200	EUR 60	EUR 60
7	EUR 700	EUR 210	EUR 210
8	EUR 900	EUR 270	EUR 270
9	EUR 300	EUR 90	EUR 90
10	EUR 0	EUR 0	EUR 0

**Explanation:**

In years without Distributable Profit, no distribution is made. Distributions are not cumulative and are not carried forward

**Example 3:****Loss Phase and Impact on Net Equity Value and Settlement Amount**

An investor holds Equity Participation Instruments with a nominal amount of EUR 10,000. The Issuer experiences an initial loss phase followed by a recovery.

Year	Profit / Loss (pro rata)	Participation Pool (30%)	Distribution	Impact on Net Equity Value
1	EUR -1,000	EUR 0	EUR 0	decrease
2	EUR -800	EUR 0	EUR 0	further decrease
3	EUR -400	EUR 0	EUR 0	decrease
4	EUR 200	EUR 60	EUR 60	stabilisation
5	EUR 500	EUR 150	EUR 150	recovery
6	EUR 700	EUR 210	EUR 210	further recovery
7	EUR 900	EUR 270	EUR 270	recovery
8	EUR 1,000	EUR 300	EUR 300	stabilised

**Illustrative Settlement Scenario:**

Due to losses in the early years, the Net Equity Value of the Issuer is reduced.

- Initial nominal amount: EUR 10,000
- Net Equity Value at termination: EUR 8,500

Settlement Amount: EUR 8,500

**Explanation:**

Losses reduce the Net Equity Value of the Issuer and may result in a Settlement Amount below the nominal amount or equal to zero.

**Important Notice**

These examples are provided solely to explain the mechanics of the Equity Participation Instruments. They do not constitute a forecast, projection, minimum performance indication or expected return. In particular, they do not indicate that any annual distribution will be made or that the Settlement Amount will equal the nominal amount. Actual results, distributions and settlement amounts may differ materially.

## **b) General Features of the Participation Certificates**

### ***Status***

#### **i) Participation Certificates in terms of **debt** instrument**

The Participation Certificates constitute direct, unsecured and subordinated obligations of the Issuer.

#### **ii) Equity Participation Instruments in terms of an **equity-like** instrument**

Equity Participation Instruments constitute direct, unsecured and subordinated instruments of the Issuer with equity-like economic characteristics.

The Issuer is not obliged at any time to repay such instruments unless and until it exercises its call right in accordance with the applicable terms and conditions. Accordingly, holders do not have an unconditional repayment claim and no ordinary maturity applies.

No interest claim exists under the Equity Participation Instruments. Instead, holders may participate in variable annual distributions, if any, by reference to the Participation Pool and the financial performance of the Issuer. If the Issuer does not generate sufficient distributable profit, no distribution will be made for the relevant financial year.

The economic logic of the Equity Participation Instruments is therefore closer to a non-voting profit-participating equity instrument than to a conventional subordinated debt instrument.

### **Distributions**

Debt-style Participation Certificates may provide for annual distributions based on a fixed or otherwise pre-defined distribution rate, subject to the applicable loss participation and payment restrictions set out in the relevant Final Terms.

Equity Participation Instruments do not bear interest and do not accrue fixed distributions. Instead, they may participate in variable annual distributions, if any, by reference to the Participation Pool and the financial performance of the Issuer. Any such distribution may be zero.

Undistributed amounts under Equity Participation Instruments do not accrue as claims for later payment but remain within the equity of the Issuer and may affect the Net Equity Value.

### ***Form and Securitisation***

The Participation Certificates will be issued in bearer form only and may be represented by a global note. Participation Certificates in definitive form and interest coupons will not be issued.

The Participation Certificates are in registered form. Ownership in respect of the Participation Certificates is established by the registration in the issuer register. Rights and title of the Participation Certificate Holders (and its assignees in and to the Participation Certificates) shall be transferable only upon notation of such transfer in the register.

### ***Governing Law***

The Participation Certificates shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the qualified subordination clause, which shall be applying mutatis mutandis in the meaning to the laws of Germany unless mandatory rules and laws of another EU member

state apply and the provision with respect to meetings of Participation Certificate Holders to the extent that mandatory rules and laws of another EU member state apply.

### **Special Features of the Participation Certificates**

The following description distinguishes between debt-style Participation Certificates and Equity Participation Instruments. Unless expressly stated otherwise, references in this section to Participation Certificates shall not be understood as implying that both categories operate in the same manner.

#### **A. Common Features applicable to all Participation Certificates**

*(Qualified) Subordination clause and pre-insolvency enforcement block (each in the terminology of the court decision of the German Federal Court of Justice of 6 December 2018 (Reference: IX Z 143/27))*

Analogously to German insolvency law principles and provisions, a (qualified) subordination clause may apply to the Participation Certificates, and in addition, the Participation Certificates Conditions provide for a pre-insolvency enforcement block. In such scenario, the claims arising from the Participation Certificates create subordinated creditor rights in relation to claims of other creditors of the Issuer. This means that, in order to avoid over-indebtedness within the meaning of section 17 of the German Insolvency Code or imminent insolvency within the meaning of section 18 of the German Insolvency Code or insolvency within the meaning of section 19 of the German Insolvency Code as amended, only satisfaction of lower-ranking claims until the claims of the non-lower-ranking insolvency creditors (see section 38 of the German Insolvency Code) have been satisfied and, in the event of liquidation proceedings being conducted pursuant to section 39 para. (2) of the German Insolvency Code, the Issuer must have a right to claim subordination in relation to claims of other creditors of the Issuer with regard to all present and future claims of Participation Certificate Holders arising from the Participation Certificates. Such subordinated claims include, as applicable, claims with respect to distributions, redemption amounts, principal repayment amounts and/or Settlement Amounts. The respective subordination is agreed in such a way that all claims of Participation Certificate Holders will only be satisfied in case, and subject to the fact, that all claims and demands of all existing and future creditors of the Issuer described in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code have been satisfied.

The pre-insolvency enforcement block applies to the period before the opening of possible insolvency proceedings. Consequently, the Participation Certificate Holder may already not demand fulfilment of existing claims arising from the Participation Certificates if the Issuer is over-indebted or insolvent or threatens to become so at the time of the Participation Certificate Holder's demand for payment.

With reference to the above, the pre-insolvency enforcement block can lead to a permanent, indefinite non-performance of the Participation Certificate Holder's claims.

This leads first of all to the fact that the Participation Certificate Holder's claims are not satisfied until the claims of the non-lower-ranking insolvency creditors (see section 38 of the German Insolvency Code) have been satisfied. All creditors who at the time of the opening of the insolvency proceedings have a justified claim to assets (here: a claim for payment) against the debtor (here: the Issuer) qualify as insolvency creditors.

In addition, the Participation Certificate Holder's claims will only be satisfied after the claims of the subordinate insolvency creditors (see section 39 of the German Insolvency Code) have been satisfied, provided that distributable insolvency assets still exist. The subordinated claims within the meaning of section 39 para. (1) of the German Insolvency Code are

- (1) the interest and default surcharges on claims of the creditors of the insolvency proceedings which have been running since the opening of the insolvency proceedings;

- (2) the costs incurred by the individual creditors of the insolvency proceedings by their participation in the proceedings;
- (3) fines, administrative fines and periodic penalty payments as well as such incidental consequences of a criminal offence or administrative offence which make it obligatory to pay money;
- (4) claims for free performance by the debtor; and
- (5) under the conditions laid down in section 39 para. (4) and (5), claims for repayment of a shareholder's loan or claims arising out of legal acts economically equivalent to such a loan.

The Participation Certificate Holders may assert claims arising from the Participation Certificates, in particular the claim to payment of interest and repayment of the capital, outside of insolvency proceedings of the Issuer only from any (a) future profits, (b) a liquidation surplus or (c) from other free assets of the Issuer.

However, the Participation Certificates Conditions do not include a waiver agreement or a declaration by the Participation Certificate Holder of a waiver with regard to claims which exist in connection with the Participation Certificates in the Participation Certificate Holder's favour.

In the event of a payment by the Issuer in breach of a payment prohibition, the Issuer is entitled to demand repayment of the amount received from the payee and to take legal action.

Accordingly, payments under the Participation Certificates are, as applicable, subject to the provisions relating to a (qualified) subordination clause and pre-insolvency enforcement block.

## **B. Additional Special Features of debt-style Participation Certificates**

### ***Distributions***

The following provisions relating to distributions, loss participation, replenishment, backpayment, redemption and early redemption apply only to debt-style Participation Certificates, unless expressly stated otherwise.

Debt-style Participation Certificates may provide for annual distributions based on a fixed or otherwise pre-defined distribution rate, subject to the applicable loss participation and payment restrictions set out in the relevant Final Terms.

Such distributions are not guaranteed and may, depending on the applicable terms and conditions, be reduced or cancelled if their payment would result in or increase an accumulated annual loss.

Only if and to the extent specified in the relevant Final Terms, debt-style Participation Certificates may provide for replenishment and/or backpayment mechanics.

### ***Illustrative Example for debt-style Participation Certificates***

Only for illustration purposes, an example of the distribution and repayment mechanics of a debt-style Participation Certificate may be shown below. Such example, if included, relates exclusively to debt-style Participation Certificates and does not apply to Equity Participation Instruments.

#### Example

Nominal Amount of each participation certificate:	EUR 10,000
Interest p.a. (annually payment of interest):	4 per cent.

Such example, if included, relates exclusively to debt-style Participation Certificates and does not apply to Equity Participation Instruments.

The Participation Certificate Holders participate in the annual loss of a financial year to the full amount. In the amount of the relevant annual loss, the repayment claim of the Participation Certificate Holders shall be reduced in the ratio in which the aggregate nominal amount of the Participation Certificates stands to the total amount of participatory capital shown in the balance sheet (taken from the respective financial statements) and other outstanding subordinated liabilities that provide for a corresponding loss participation, or senior to any other loss transferable instruments of the Issuer (including, but not limited, to all individual items of equity), if applicable up to the full amount. Losses carried forward and accumulated losses from previous financial years and/or the current financial year shall not (subject to the Final Terms) be taken into account. The Issuer is obliged to avoid reporting an annual loss by using reserves (to the extent legally permissible) or profits carried forward.

### ***Loss Participation, Replenishment and Claim for Backpayment***

Debt-style Participation Certificates may participate in losses of the Issuer through a reduction of the repayment claim, subject to any replenishment and backpayment mechanics set out in the applicable Final Terms.

The repayment claim may therefore be reduced temporarily or permanently, depending on the relevant terms and conditions.

### ***Redemption***

Debt-style Participation Certificates may be redeemed at their stated maturity or earlier in accordance with the relevant Final Terms. The redemption amount may be subject to the applicable loss participation, replenishment and backpayment mechanics.

### ***Early Redemption***

Debt-style Participation Certificates may, to the extent specified in the relevant Final Terms, provide for early redemption mechanisms, including issuer call rights, holder put rights and redemption following an event of default.

### ***Substitution of the Issuer***

The Participation Certificates may provide for a mechanism to entitle the Issuer to substitute for itself as the Issuer another person. The latter mentioned legal mechanism is subject to certain mandatory requirements as stipulated in the relevant Final Terms. The afore-mentioned substitution may apply without the requirement of a given consent of the Participation Certificates.

Equity Participation Instruments are governed by separate economic mechanics. In particular, they do not bear interest, do not provide for a fixed maturity or an unconditional repayment claim in the nominal amount, participate in variable annual distributions, if any, by reference to the Participation Pool, participate in losses solely through the Net Equity Value and provide for a Settlement Amount only upon an issuer call.

## **C. Additional Special Features of Equity Participation Instruments**

### ***Variable Distributions by reference to the Participation Pool***

Equity Participation Instruments do not bear interest and do not accrue fixed distributions. Instead, they may participate in variable annual distributions, if any, by reference to the Participation Pool and the financial performance of the Issuer.

Any such distribution may be zero in any given financial year.

Undistributed amounts do not constitute deferred claims for later payment but remain within the equity of the Issuer and may affect the Net Equity Value.

### ***Loss Participation through the Net Equity Value***

Equity Participation Instruments participate in losses solely through a reduction of the Net Equity Value.

Losses do not reduce the nominal amount of the Equity Participation Instruments.

No replenishment claim or backpayment claim exists with respect to the nominal amount of Equity Participation Instruments.

### ***No fixed maturity; issuer call only***

Equity Participation Instruments do not provide for a stated maturity redemption. They are perpetual instruments.

Unless otherwise expressly stated in the relevant Final Terms, holders of Equity Participation Instruments do not have an ordinary put right.

### ***Settlement Amount upon issuer call***

Holders of Equity Participation Instruments receive a Settlement Amount only if and when the Issuer exercises its call right in accordance with the applicable terms and conditions.

The Settlement Amount may be below the nominal amount or equal to zero.

### ***Meeting of Participation Certificate Holders***

The Participation Certificates may contain provisions pursuant to which Participation Certificate Holders may agree by resolution to amend the Participation Certificates Conditions and to decide upon certain other matters regarding the Participation Certificates. Resolutions of Participation Certificate Holders properly adopted by vote taken in a meeting in accordance with the Participation Certificates Conditions are binding upon all Participation Certificate Holders.

## **RISK FACTORS**

**This section provides details of the material risks associated with the Issuer and the Instruments. References to the "Issuer" are references to Timberland Securities Investment plc, and references to the "Instruments" are references to the Notes and Participation Certificates, respectively, issued under this Base Prospectus.**

**In purchasing the Instruments, investors (including holders of Notes (the Noteholders) as well as holders of Participation Certificates (the Participation Certificates Holders; the Participation Certificates Holders and the Noteholders together, the Instrument Holders)) assume the risk that the Issuer may become insolvent or otherwise be unable to make payments due in respect of the Instruments. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make payments due in respect of the Instruments. The Issuer may not be aware of all relevant factors and certain factors which the Issuer may currently deem not to be material may become material over time and could likewise impair the business operations of the Issuer and have a material adverse effect on its business, cash flows, results of operations and its financial condition.**

**Prospective investors in the Instruments should ensure that they fully understand the nature of the Instruments, as well as the extent of their exposure to risks associated with an investment in the Instruments. They should consider the suitability of an investment in the Instruments in light of their own particular financial, fiscal and other circumstances. In particular, prospective investors should be aware that the Instruments may decline in value and should be prepared to sustain a substantial or total loss of their investment in the Instruments and ensure that their acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of their location or incorporation and/or in which they operate, and is a suitable investment for them to make.**

**The following factors may affect the Issuer's ability to fulfil its obligations under the Instruments. Without giving a disclaimer, naturally all of these factors are contingencies which may or may not occur while the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Prospective investors should consider these factors before deciding to purchase Instruments to be issued under the Base Prospectus. In addition, prospective investors should be aware that the risks described below may combine and thus intensify one another.**

**The Issuer is of the opinion that the factors described below represent the material risks inherent in investing in the Instruments, but the inability of the Issuer to pay material or other amounts under or in connection with the Instruments may occur for other reasons, which may not be or may not have been considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should consider all information provided in this Base Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.**

Within the different categories, each individual Risk Factor has been indicated by a title. Where a Risk Factor may be categorised in more than one category, such Risk Factor appears only once and in the most relevant category for such Risk Factor. The most material risk in a category is presented first under that category. The assessment of materiality was based on the probability of occurrence and expected magnitude of negative impact. Subsequent Risk Factors in the same category are not ranked in order of materiality of occurrence.

## **I. SPECIAL AND MATERIAL RISK FACTORS RELATING TO THE ISSUER**

Based on the strategic orientation of the Issuer with its business segments their offering of products and concentration on the core markets in Europe, the general economic developments in these countries, in combination with developments on the international financial and capital markets are of great importance for the assets, liabilities, financial position and profit or loss of the Issuer.

### **1. Risks related to the Issuer's financial situation**

#### **Risks in connection with a possible insolvency of the Issuer**

Investors in the Instruments assume the credit risk of the Issuer. In the event of an insolvency of the Issuer and/or any existing or future subsidiary, the Issuer may not be in a position to make payments due under the Instruments.

In the case of Notes and debt-style Participation Certificates, this may affect interest, distributions, redemption amounts and principal repayments.

In the case of Participation Certificates and Equity Participation Instruments, this may affect variable distributions, if any, and the Settlement Amount upon an issuer call. Since Participation Certificates and Equity Participation Instruments do not provide for a fixed maturity payment or an unconditional repayment claim, investors may lose all or a substantial part of their investment.

If this risk materialises, Instrument Holders may lose part or all of the amounts invested.

#### **Risks in connection with refinancings**

It cannot be ruled out that the Issuer will be dependent on new refinancing for the repayment of the Instruments, if necessary by issuing new instruments. If financing required for repayment is not available – for whatever reason – the Issuer may not be in a position to pay distribution/interest and repay the Instruments. If this risk should materialize, the Instrument Holders may lose part or all of their claims to repayment of their invested capital as well as with respect to interest payments and repayment of principal or other redemption amounts.

#### **Risks in connection with credit risks**

Noteholders are subject to the risk of partial or total inability of the Issuer to make distribution and/or redemption payments that the Issuer may, subject to the limitations described in the terms and conditions of this Base Prospectus, be obliged to make under the Instruments. The worse the creditworthiness of the Issuer, the higher the risk of loss. Prospective investors should note that a materialisation of credit risk with respect to the Issuer may result in the inability of the Issuer to pay interest and/or principal under the relevant Instrument and, correspondingly, the Instrument Holders may lose part or all of their claims to repayment of their invested capital as well as with respect to interest payments and repayment of principal or other redemption amounts.

#### **Risks in connection with costs related to the Issuer in connection with financing activities**

The financing activities of the Issuer are connected with certain costs, such as but not limited to for marketing and distribution of its financing instruments (including the Instruments) and others, commissions or other similar fees charged by the Issuer's distribution agents, service providers and

others to the Issuer. Those costs reduce the net issue proceeds of the Issuer derived from the issuing of financial instruments. Consequently, the Issuer has less funds available to serve its obligations under the Instruments (i.e. payment of distributions/interest and repayment of principal). Thus, prospective investors should note that these costs may significantly reduce or eliminate any net profits that the Issuer may realize from its business activities in one or more business year and furthermore may result in a financial loss for a business year and which is not available for purposes of serving payments in connection with the Instruments.

### **No limit to the amount of debt to be incurred by the Issuer in the future**

There is no restriction on the amount of debt that the Issuer may borrow on an equal footing or with priority with the Instruments. Any assumption of additional liabilities by the Issuer which are not subordinated to the Instruments increases the debt of the Issuer and therefore may have an effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and distributions/interest under the relevant Instrument (that, for example, do not have a higher ranking than respective other debt obligations of the Issuer). If this risk should materialize, the Instrument Holders may lose part or all of their claims to repayment of their invested capital as well as with respect to interest payments and repayment of principal or other redemption amounts.

### **Risks in connection with the integration of potential future acquisitions**

The Issuer may in the future seek to make one or more acquisitions to support its business objectives and complement the development of its business in existing and new geographic markets. Such strategic transaction(s) would, if pursued, demand significant management attention and will require the Issuer to divert financial and other resources that would otherwise be available for its existing business. Furthermore, prospective investors should note that the benefits of potential future acquisitions may take longer to realise than expected and may not be realised fully, or at all, there can be no assurance that the Issuer will be able to successfully pursue and complete the acquisition of any future target(s), and there can be no assurance that the Issuer will be able to identify all actual and potential liabilities to which any target company is exposed prior to the acquisition thereof. Any of these factors could, in the event that an acquisition is pursued, lead to unexpected losses for the Issuer which may have a material adverse effect on the Issuer's business, financial condition and results of operations.

### **Risks in connection with investments in financial instruments**

The Issuer may apply part of the proceeds received from the sale of the Instruments to invest in balance sheets assets such as financial instruments, including, without limitation, shares, bonds, securitised debt instruments, money market instruments and units in collective investment schemes. Such investments will be subject to normal market fluctuations and the risks inherent in all investments, including the risk that the Issuer may not realise all or part of the capital invested. In the event that the financial instruments selected for investment by the Issuer lose part or all of their value, the Issuer may be forced to make write-downs (resulting in a loss in the income and loss statement). Losses not covered by corresponding gains may affect the Issuer's ability to service interest on the Instruments and to repay principal.

In addition, stricter and/or new regulatory requirements may be adopted in the future, and the existing regulatory environment in many markets in which the Issuer operates (or may operate in future) continues to develop and change, including, for example, the Banking Union within the EU. The substance and scope of any such (new or amended) laws and regulations as well as the manner in which they are (or will be) adopted, enforced or interpreted may increase the Issuer's financing costs and could have an adverse effect on the Issuer's business, financial condition, results of operations and prospects. As a result, this could adversely impact on the Issuer's ability to pay interest and/or principal under the Instruments.

## **Risks in connection with the Issuer's limited operating history**

The Issuer was incorporated on 30 January 2015 and therefore has a limited operating history that can be evaluated as a basis for the Issuer's potential performance and the ability to achieve its investment objectives. Consequently, the possibility to assess the Issuer's business plan is limited. Therefore, any investment in the Instruments is subject to the uncertainties associated with the business model and any related operational misjudgement may have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Instruments.

## **2. Risks related to the legal and regulatory environment in which the Issuer operates**

### **Risks in connection with laws and regulations**

#### **Risks in connection with the Issuer's business model**

The Issuer's business model depends on the competitiveness of its services provided to its customers and clients. It cannot be excluded that there may be competitors on the market who offer services similar to those of the Issuer and who are able to acquire customers and generate profits faster and more successfully with cheaper and/or better offers than the Issuer. This could lead to the Issuer's failure to plan, which could have an adverse effect on its business, assets, liabilities, financial position and profit or loss.

There is also a risk that the services and business of the Issuer may not be competitive. The services and business of the Issuer are in global competition with similar or comparable services and business. Due to changes in customer requirements, the continuous introduction of new products to the market and/or constantly evolving product standards, the Issuer's services and business may become obsolete, unattractive to customers or otherwise uncompetitive. This intense competition could result in lower profit margins, lower revenues and a lower market share. If the Issuer does not succeed in asserting itself in this environment and in developing sufficient economic projects, this could have a significant negative impact on the success of its business activities.

#### **Risks in connection with the fact that the Issuer is exposed to the credit risk of its customers, suppliers and distribution partners**

The Issuer intends to conduct transactions (sales) with customers, suppliers and dealers as part of its business activities. There is a risk that one or more of these counterparties may become insolvent and be unable to meet their obligations to the Issuer. In particular, if one of the Issuer's principal clients becomes insolvent or in financial difficulty, the Issuer may not be able to collect any outstanding debt and may be required to write off the debt. Significant or recurring delays in receiving payments or defaults could have a material adverse effect on the Issuer. Furthermore, the Issuer is exposed to the credit risk of cooperation partners, where the Issuer has granted security by way of (a) guarantee(s) in connection with the issuing of notes (see section "*Risks related to the Issuer's business activities and industry*"). Any of the afore-mentioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

#### **Risks in connection with third parties involved**

The Issuer is party to contracts with a number of third parties who have agreed to perform several services in relation to the Instruments during its lifespan (such as the Paying Agents, the Fiscal Agents as well as the Registrar and Transfer Agents). If any such third party fails to perform its obligations under any relevant agreement, for example in case a Paying Agent omits to pay out interest and/or principal) the Issuer may either not be in the position to find an adequate service provider which is able to replace the defaulting party and/or may not be able to claim any compensation or reimbursement (unless legal proceedings have been initiated) for such contractual default. Both consequences may have negative effects on the Issuer's net assets, financial position and results of operations and/or the Issuer's business procedures and operations.

### **3. Legal and tax related risks**

#### **Risks in connection with potential changes in the applicable tax framework**

The future development of the Issuer's assets, financial and profit position, inter alia, depends – among other circumstances – on the tax framework applicable to it. Every future change in legislation, relevant decision of the competent fiscal courts and/or the tax authorities' administrative practice may have a negative impact on the Issuer's business.

#### **Risks in connection with certain tax related circumstances**

The Issuer is subject to certain tax risks. The development of current tax law is subject to constant change – also in its administrative application. The tax information presented here therefore reflects the current legal situation, current case law, published views of the tax authorities as well as the comments made by the tax literature on the date of the Base Prospectus. Future changes in the law, differing interpretations of the law by tax authorities and courts cannot be ruled out.

The tax burden of the Issuer could increase in particular as a result of future tax audits, new assessments by the competent authorities and possible changes to the applicable tax laws and regulations. The registered office of the Issuer is currently located in Malta. From time to time, however, it is subject to routine tax audits by tax authorities in the countries in which it operates. Future tax audits may lead to additional taxes. In addition, the tax authorities may not be able to accept the deductibility of some interest in the context of the cap or transfer pricing rules. In this case, tax arrears may be incurred during tax audits or as part of the normal taxation process (through tax assessment notices). In addition, changes to the tax regulations are possible. The interpretation of tax laws by courts or tax authorities (including courts or tax authorities in foreign jurisdictions in which the Issuer may operate in the future) may also have a material adverse effect on the business of the Issuer. Any further tax or interest payments resulting from such tax audits or other decisions of the relevant tax authorities could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

#### **Risks in connection with tax-loss offsetting**

The Issuer's ability to use its net operating losses, or NOLs, in Malta and in other jurisdictions is currently limited and may be further limited. In particular, under current corporate income tax rules, tax losses can not be carried back and carried forward for an indefinite period of time. If the indefinite loss-carry forward might not longer apply in Malta, this might have then an impact on the taxes to be paid by the Issuer, i.e. they might be higher and as such this might have an adverse effect on the financial situation of the Issuer.

#### **Risks in connection with potential changes in Consumer Protection Laws**

Changes in consumer protection laws or the interpretation of consumer protection laws by courts or governmental authorities could limit the fees that the Issuer may charge for certain of its services in connection with its role as arranger or sub-arranger and thereby result in lower commission income being received by the Issuer. Moreover, any changes in consumer protection laws or the interpretation of such laws by courts or governmental authorities could impair the Issuer's ability to offer certain products and services or to enforce certain clauses in contracts with clients. This may reduce the Issuer's net income and have an adverse effect on its results of operations.

#### **4. Risks related to the Issuer's business activities and industry**

##### **Risks in connection with the Issuer's business**

The core business of the Issuer consists of acting as arranger or sub-arranger in respect of the issuance of certain notes (or other debt instruments) issued by certain issuers, to who the Issuer is either related to or has contractual relationships with. As the remuneration is basically calculated on the respective price of the notes (or other debt instruments) issued by the afore-mentioned issuers and then distributed to investors, the Issuer consequently will be affected in case of a decline in investors' demand for such notes (or such other debt instruments, as the case may be) issued by such issuers. This may impact the ability of the Issuer to service interest on the Instruments and to repay principal.

In addition, not only the Issuer is dependent on a constant demand for the notes or debt instruments, but it depends on the respective issuer's ability to pay the applicable arranger fees owed to the Issuer. Any payment default with respect to arranger fees to which the Issuer is entitled may have an adverse effect on the ability to repay any principal or interest under the Instruments. The services performed as an arranger or sub-arranger is not provided on an exclusivity basis, i.e. the respective issuer may use from case to case or generally another arranger.

Furthermore the Issuer operates in the area of Tiny Houses/Hospitality a project-driven and transaction-based business model. Its revenues depend on the successful identification, development and sale of individual projects. There can be no assurance that planned projects can be realised as expected or at all. Delays, cost overruns or failure to execute projects may lead to reduced revenues or losses. The Issuer depends significantly on investor demand for modular accommodation units. A decline in demand or adverse market conditions may result in delays in sales, lower prices or unsold inventory. Furthermore, the Issuer may initiate projects prior to full economic viability being secured. If required sales levels are not achieved, projects may not be completed and costs incurred may not be recoverable. The Issuer's business model is primarily transaction-based and may result in fluctuating revenues and irregular cash flows.

##### **Risks in connection with security granted for certain issuers**

As part of its business, the Issuer provides security (on a case by case scenario and, to the extent agreed, against payment of a fee). Thus, the Issuer does, with a view to increasing the marketability of notes or other debt instruments issued by other issuers (such issuer a **Guaranteed Issuer**) (i) guarantee the repayment obligations of a Guaranteed Issuer in respect of the aggregate principal amount of bonds (or other debt instruments) issued by a Guaranteed Issuer and/or to grant security interests over its assets in order to secure such repayment obligations, and/or (ii) guarantee the repayment obligations of one or more of the portfolios and/or compartments of a Guaranteed Issuer, and/or to grant security interests over its assets in order to secure such repayment obligations, and/or (iii) to grant security interests over its assets to one or more banks in order to procure that such banks guarantee the repayment obligations of a Guaranteed Issuer. In the event that a respective Guaranteed Issuer defaults on its applicable payment obligations under the notes which have been guaranteed and/or secured in the instances prescribed above, this may impact the ability of the Issuer to service interest on the Instruments and to repay principal.

As of the date of this Base Prospectus, the Issuer is acting as guarantor to a bond issued by E-Stream Energy GmbH & Co KG in an amount of up to EUR 8 million (plus interest and potential additional costs in connection with said bond) which has a maturity date of 15 November 2029.

##### **Risks related to projects and assets**

The Issuer's projects depend on access to suitable land. There is a risk that land cannot be acquired on acceptable terms or at all. Projects may require permits and regulatory approvals. There is a risk that such approvals are not granted or are delayed. The Issuer is exposed to risks related to infrastructure development, including cost increases and technical challenges. The Issuer relies on third-party suppliers

for modular units. Delays, defects or cost increases may occur. The Issuer may temporarily hold unsold units. Extended holding periods may result in additional costs. Limited resale liquidity of the underlying assets may reduce investor demand.

### **Regulatory and tax risks**

The Issuer's business model is subject to legal and regulatory frameworks. Changes in regulations may affect project feasibility or operations. There is a risk that regulatory authorities may classify the Issuer's activities differently than anticipated. Changes in tax laws or tax benefits may reduce investor demand.

### **Risks in connection with the competitive environment the Issuer is performing its business**

The Issuer faces competition in all aspects of its business and competes with a number of large international financial institutions and other local competitors in the markets in which it operates including Malta, the Cayman Islands and Luxembourg. In particular, the trend towards consolidation in the global financial services industry (which has increased due to the last financial and economic crisis), is creating competitors with extensive ranges of product and service offerings, increased access to capital and greater efficiency and pricing power. These global financial institutions may be more appealing to customers because of their larger international presence or financial resources. In addition, in all markets, the Issuer also faces competition from established local financial service providers which operate a larger number of branches, offer customers a broad range of banking and financial products and services, and benefit from relationships with a large number of existing customers. If the Issuer is unable to respond to the competitive pressures in these markets, it may suffer a reduction in its market share in important sectors of its business or incur losses, and its financial condition and operational results may be adversely affected.

The Issuer operates in markets subject to economic cycles. Adverse developments may reduce demand. The Issuer depends on external partners and service providers. Failure of such parties may disrupt operations. The Issuer relies on digital distribution platforms. Changes in access or conditions may affect revenues.

## **5. Internal control risks**

### **Risks in connection with internal risk management processes**

The Issuer's risk management techniques and strategies may in the future not be fully effective in mitigating the Issuer's risk exposure in all economic market environments or against all types of risks, including risks that the Issuer may fail to identify or anticipate. Furthermore, audits or other regular reviews of the risk management procedures and methods may, in the future, detect weaknesses or deficiencies in the Issuer's risk management systems. In the event that the Issuer's risk management systems fail to identify, anticipate or correctly evaluate risks to which the Issuer may be exposed, the Issuer may experience material unanticipated losses, which could have an adverse effect on its business, financial condition and operational results.

### **Risks in connection with operational risk**

The Issuer is exposed to operational risk, which is the risk of loss resulting from inadequate or failed internal processes, human errors, malfunctioning systems or from external events, including in particular legal, regulatory and compliance risk. The Issuer is also susceptible to, among other things, operational errors, clerical or record-keeping errors and errors resulting from faulty computer or telecommunications systems. Any inadequacy of the Issuer's internal processes or systems in detecting or containing such risks as aforesaid could have a material adverse effect on Issuer's business, financial condition, operation results and prospects.

## **Risks in connection with the difficulty of recruiting new qualified personnel**

The Issuer's ability to enter new markets (and, to some extent, the Issuer's existing operations), depend on its ability to recruit additional talented individuals with the necessary qualifications and level of experience in financial services. Increasing competition for labour in the Issuer's core markets from other international financial institutions may make it more difficult for the Issuer to attract and retain qualified employees and may lead to rising labour costs in the future. If the Issuer is unable to attract and retain new talent in key strategic markets or if competition for qualified employees increases its labour costs, this could have a negative impact on the Issuer.

## **II. SPECIAL AND MATERIAL RISK FACTORS RELATING TO THE INSTRUMENTS**

### **1. Specific Risk Factors concerning both Instruments (the Notes as well as the Participation Certificates)**

#### **a) Risk Factors concerning the suitability of an investment in the Instruments, their legality of purchase and to specific client objects and needs**

#### ***Risks relating to the dependency of the Instruments on the Issuer's business model***

The Instruments are directly linked to the financial performance of the Issuer. The Issuer operates a project-driven business model which is subject to operational, project-related, regulatory and market risks.

If the Issuer is unable to successfully implement its business model, including the development, structuring and sale of projects as well as the generation of sufficient revenues, this may adversely affect its ability to meet its payment obligations under the Instruments.

Accordingly, investors are exposed not only to risks inherent in the Instruments but also to the specific risks relating to the Issuer's business activities.

#### ***Risks relating to the suitability of an investment in Instruments***

The Instruments may not be a suitable investment for all investors. Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained in, or incorporated by reference into, this Base Prospectus or any supplement thereto;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments or where the currency for principal payments is different from the potential investor's currency;
- understand fully the respective terms and conditions of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Instruments are complex financial instruments. Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

### ***Risks relating to the Issuer's cash flow profile***

The Issuer's ability to make payments under the Instruments depends on its cash flow generation, which is largely driven by project-based revenues. Such revenues may be irregular, delayed or lower than expected. In particular, the Issuer may depend on the successful sale of modular units and the timing of project execution. As a result, the Issuer may not generate sufficient liquidity at all times to meet its payment obligations under the Instruments when due.

### ***Risks relating to certain Taxation regimes***

Prospective investors and sellers of the Instruments should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Instruments are transferred to or of other jurisdictions. In addition, prospective investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Instruments. Only these advisors are in a position to duly consider the specific situation of the prospective investor.

Potential Investors should be aware that payments in respect of the Instruments may be subject to withholding or deduction for or on account of tax, including FATCA. In some (but not all) cases, the Issuer has undertaken to gross-up for such withholding taxes if they arise. In those cases where this undertaking does not apply, any withholding tax or deduction for tax is imposed on payments of interest on the Instruments, the holders of the Instruments will not be entitled to receive grossed-up amounts to compensate for such withholding tax. Where a gross-up does apply, this may reduce cash available to the Issuer to make payments on the Instruments.

### ***Risks associated with the FATCA regime***

Distribution payments on Instruments, or profits realized by an Instrument Holder upon the sale or repayment of Instruments, may be subject to taxation in the Instrument Holder's home jurisdiction or in other jurisdictions in which the Instrument Holder is required to pay taxes. The amount of taxation so payable is therefore subject to changes in tax law and to potential changes in their practical application (both of which may change to the disadvantage of investors).

Besides the above, risks may occur in connection with the FATCA regime. Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), an agreement entered into with the U.S. Internal Revenue Service pursuant to such sections of the Code, or an intergovernmental agreement between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-US laws implementing such an intergovernmental agreement) (collectively referred to as **FATCA**) impose a new reporting regime and, potentially, a thirty per cent. withholding tax with respect to (i) certain payments from sources within the United States (ii) so-called 'foreign pass-thru payments' made to certain non-US financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-US financial institution.

The Issuer may be classified as a non-US financial institution for these purposes. If the Issuer becomes subject to withholding tax as a result, the monetary return of Instrument Holders may be affected. To the extent the Issuer suffers US withholding tax as a result of FATCA, the Issuer may take any action in relation to an Instrument Holder's investment to ensure that such withholding is economically borne

by the relevant Instrument Holder whose failure to provide the necessary information or to become a participating FFI (i.e., foreign financial institution) gave rise to the withholding.

#### ***Risks relating to the lack of project-specific allocation***

Payments under the Instruments are not linked to specific projects of the Issuer. Investors do not have any claim to revenues or assets from individual projects. The performance of the Instruments depends on the overall financial condition of the Issuer. Losses or delays in individual projects may therefore affect the Issuer's overall ability to meet its obligations under the Instruments.

#### ***Risks stemming from specific client objectives and needs***

According to the requirements of MiFID II, the manufacturer as the concept creator of a product (i.e. the Instruments) determines the target market for a product, i.e. identifies, with which customer needs and characteristics it believes the product is compatible (positive target market) and with which it is incompatible (so-called positive target market) and with which it is incompatible (so-called negative target market). The target market thus describes the requirements, that a product places on the target customer. The target market is defined individually and with respect to each product (or type of Instruments) and can include specific customer goals and needs, for example the requirement for a "sustainable", "ecological", "ESG" (Environmental, Social and Governance) or similarly labelled product.

The target market of a product may change during the life of the Instruments. In case the target market does no longer coincide with the individual objectives and expectations or the relevant investment criteria, objectives and expectations or the relevant investment criteria and guidelines of an investor (and hence, due to these stipulated and binding criteria and guidelines, are forced to consider or make a de-investment with respect to the relevant Instruments), the investor may be obliged or forced to sell the Instruments under unfavourable conditions (i.e. a price which is lower than what the investor has initially paid for its investment in the Instruments).

#### ***Risks associated with a rise in inflation***

The inflation risk (i.e. the risk of future money depreciation) may negatively impact the real yield to be gained from an Instrument. The inflation risk is the risk of future money depreciation: The higher the rate of inflation, the lower the real yield on an Instrument. If the inflation rate is equal (or even higher than) the nominal yield on an Instrument, the real yield is zero (or even negative).

#### ***Risks stemming from costs and expenses to be paid with respect to the purchase and sale of the Instruments***

When Instruments are purchased or sold, several types of incidental costs (including transaction fees and commissions) may incur in addition to the purchase or sale price of the relevant Instrument. These incidental costs (such as, but not limited to, brokerage and depositary fees) may significantly reduce or eliminate any profit from holding the Instruments. Thus, the nominal yield attached to the Instruments may be lowered due to these costs and expenses than Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

#### ***Risks associated with stamp taxes***

Potential purchasers and sellers of Instruments should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Instruments are transferred and/or any asset(s) are delivered. Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential

purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

***Risks associated with Instruments pursuant to which no so-called tax gross-up is paid***

If the applicable Final Terms specify that no withholding tax gross-up is applicable, the Issuer is not obliged to gross up any payments in respect of the Instruments and all amounts payable in respect of the Instruments shall be made with such deduction or withholding of taxes duties or governmental charges of any nature whatsoever imposed, levied or collected by way of deduction or withholding, if such deduction or withholding is required by law (including pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (FATCA) or pursuant to any law implementing an intergovernmental approach thereto).

***Risks relating to the complexity of the overall investment structure***

The Issuer intends to implement business structures involving multiple contractual arrangements, including purchase agreements, lease agreements and operational service agreements. There is a risk that such structures may lead to increased complexity and interdependencies. Risks arising in one contractual relationship may affect other parts of the structure. If such risks materialise, this may have a material adverse effect on the Issuer's financial condition and its ability to meet obligations under the Instruments.

**b) Risks related to a not proper functioning market or trading facility**

***Risks relating to an illiquid secondary market***

Regardless of whether the Instruments are listed or not on non-regulated markets, regulated markets, multilateral trading facility (MTF) or organised trading facilities (OTF), there is a risk that no liquid secondary market for the Instruments will develop or, if it does develop, that it will not continue. The fact that the Instruments may be listed does not necessarily lead to greater liquidity than if they were not listed. If the Instruments are not listed on any stock exchange, pricing information for such Instruments may, however, be more difficult to obtain which may affect the liquidity of the Instruments adversely. In an illiquid market, an investor is subject to the risk that the investor will not be able to sell its Instruments at any time at fair market prices. The possibility to sell the Instruments may additionally be restricted by country specific reasons. In addition, Instrument Holders should be aware that the Issuer has no influence on the suspension, interruption, or termination of trading in the Instruments (other than where trading in the Instruments is terminated upon the Issuer's decision), and Instrument Holders bear the risks connected with any trading suspension, interruption or termination. Instrument Holders should be aware that they may not be able to sell their Instruments in such instances and should also note that during periods of suspension or interruption of trading, stock exchange quotations may not adequately reflect the price of the Instruments. In addition, market liquidity may be adversely affected by the specific structure of the Issuer's business model and the complexity of the Instruments, which may limit investor demand in the secondary market.

**c) Risk Factors relating to a potential conflict of interest**

***Risks relating to the assumption of certain functions and providing several services in connection with the Instruments***

The Issuer may, from time to time, act in other capacities with regard to the Instruments, such as paying agent, calculation agent or registrar and transfer agent, which allows the Issuer to make calculations in respect of the Instruments. For example, in its role as calculation agent, the Issuer is the person responsible for calculating the amount of distributions to be paid (and which are binding for the Instrument Holders). Where the Issuer acts as calculation agent or the calculation agent is an affiliate of

the Issuer, potential conflicts of interest may exist between the calculation agent and the Instrument Holders, including with respect to certain determinations and judgements that the calculation agent may make pursuant to the Instruments that may influence the amount receivable deliverable on redemption of the Instruments. The measures in place that a control of the Issuer is not abused is governed by and in accordance with the provisions of the applicable laws and regulations. There is no knowledge of the existence of any abuse of control is exercised by the Issuer.

An entrepreneurial conflict of interest could arise in the fact that appointed Members of the Board of Directors are acting in different functions (including as an active member of the board of directors) of inter alia Timberland Invest Ltd and/or Timberland Capital Management GmbH, both acting as distribution agents for the Instruments. Furthermore, there might be potential conflicts of interest for such persons in regard to current or future entrepreneurial activities or shareholdings outside their activity to the Issuer or due to other business activities or other entrepreneurial participations or shareholdings of (i) their own and/or (ii) while acting for and on behalf of other parties. There are actually no such conflicts of interests.

The Issuer is directly owned by its shareholder Mr. Thomas Kraemer. The measures in place that a control of the Issuer is not abused is governed by and in accordance with the provisions of the applicable laws and regulations. The Issuer applies best practice measures in regard to the measures in place to avoid abuse of control. The shareholder is not member of the Board of Directors of the Issuer. Save for this, the shareholder is member of the Board of Directors of the subsidiaries. The directors do not receive a remuneration which is linked to the return of the company or to its shares. There is accordingly no remuneration that could favour the taking of special risks at the expense of the company. There is no knowledge of the existence of any abuse of control is exercised by the Issuer.

## **2. Specific and material Risk Factors relating to the Notes**

### **a) Risks related to the nature of the Notes and/or classification of the Notes**

#### ***Risks associated with subordinated Notes***

The Issuer may issue Notes that qualify as subordinated notes. Unless expressly otherwise specified in the relevant Final Terms, the obligations of the Issuer under subordinated notes constitute unsecured and subordinated obligations and will rank junior in priority of payment to unsubordinated obligations. Where security is specified in the relevant Final Terms, such security does not alter the contractual subordination of the subordinated Notes. In the event of insolvency or liquidation of the Issuer, such obligations will be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts will be payable in respect of such obligations until the claims of all unsubordinated creditors of the Issuer have been satisfied in full. The Issuer expects from time to time to incur additional indebtedness or other obligations that will constitute senior indebtedness, and the subordinated notes do not contain any provisions restricting the Issuer's ability to incur senior indebtedness. Although the subordinated notes may pay a higher rate of interest than comparable Notes which are not so subordinated, there is a real risk that an investor will lose all or some of its investment should the Issuer become insolvent since its assets would be available to pay such amounts only after all of its senior creditors have been paid in full.

In the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the obligations under the subordinated notes will be fully subordinated to the claims of unsubordinated creditors of the Issuer. Accordingly, in any such event no amounts shall be payable in respect of the subordinated notes until the claims of unsubordinated creditors and subordinated creditors of the Issuer have been satisfied in full. Accordingly, the Noteholder's rights under the Notes will rank behind all unsubordinated creditors and certain subordinated creditors of the Issuer in the of the insolvency or liquidation of the Issuer. The Issuer's payment obligations under the Notes will rank *pari passu* amongst themselves. The only remedy against the Issuer available to Noteholders for recovery of amounts which have become due in respect of the subordinated notes will be the institution of legal proceedings to enforce payment of the amounts. In an

insolvency or liquidation of the Issuer, any Noteholder may only claim amounts due under the subordinated notes after the Issuer has discharged or secured in full (i.e. not only with a quota) all claims that rank senior to the subordinated notes.

The Issuer may not have enough assets remaining to pay amounts due under the relevant subordinated notes and the Noteholders of such subordinated notes could lose all or some of the investment. No Noteholder may set off any claims arising under the subordinated notes against any claims that the Issuer may have against the Noteholder.

### **Risks relating to the absence of, or limitation on, collateral security**

The Notes do not benefit from any guarantee, surety or equivalent third-party payment undertaking. Unless expressly otherwise specified in the relevant Final Terms, the Notes are not secured by any collateral. Where collateral security is specified in the relevant Final Terms, investors should note that such collateral security (i) is limited in scope to the assets, rights, claims or interests identified in the relevant Final Terms, (ii) does not alter the contractual ranking or subordination of the claims under the Notes, (iii) may rank behind other secured creditors of the Issuer or may be subject to prior-ranking rights or encumbrances, and (iv) is subject to the laws applicable to such collateral security and to the enforcement procedures available thereunder. There can be no assurance that any collateral security specified in the relevant Final Terms will be sufficient to cover the full amount of the claims of investors.

If no collateral security is specified in the relevant Final Terms, Noteholders will not have preferential access to any particular assets of the Issuer. Recovery will depend on the overall asset position of the Issuer. This risk is increased in the case of subordinated Notes.

### ***Risk relating to the pre-insolvency enforcement block applying to Notes***

Analogously to German insolvency law principles and provisions, a pre-insolvency enforcement block, may apply to all payment claims of the Noteholders. In such case, all claims arising from the Notes, in particular the Noteholder's claims for payment of interest and repayment of principal (including any other amounts payable under the of Notes), may be asserted as long as and to the extent that the partial or complete satisfaction of such claims would lead to the issuer being overindebted within the meaning of section 17 of the German Insolvency Code or threatened insolvency within the meaning of section 18 of the German Insolvency Code or insolvency within the meaning of section 19 of the German Insolvency Code as amended (pre-insolvency enforcement block). The pre-insolvency enforcement block therefore already applies to the period before the opening of insolvency proceedings. The Noteholder may therefore not demand fulfilment of his claims arising from the Notes if the Issuer is over-indebted or insolvent or threatens to become so at the time of the Noteholder's demand for payment. In this respect, the pre-insolvency enforcement block can lead to a permanent, unlimited non-fulfilment of the Noteholder's claims.

### **Risks relating to refinancing and funding**

The Issuer may require additional funding to finance its operations and projects. There is a risk that such funding may not be available on acceptable terms or at all. This may adversely affect the Issuer's financial position and its ability to meet its obligations under the Notes.

### **b) Risks related to certain specific features of the Notes**

#### ***Risks associated with Notes which allow for the substitution of the Issuer***

The Notes Conditions may contain provisions for the substitution of another company as principal debtor (including, as applicable, a subsequent substitution of the debtor) under the Notes in place of the Issuer. The amounts which Noteholders should receive in respect of the Instruments may be affected in the event that the Issuer substitutes another company for itself as issuer of the Notes under the relevant Notes Conditions.

### ***Risks associated with Notes providing for a fixed interest rate***

Notes bearing or paying a fixed rate of interest (or distribution, as defined in the Notes Conditions) either will pay or, depending on the fulfilment of certain conditions, may pay a fixed amount of interest on specified interest payment dates. Investors who purchase Notes with a fixed rate of interest are exposed to the risk that market interest rates rise and the fixed amount of interest they receive is less than the amount they would have received had they invested in a Note with a floating rate of interest. The market value of Notes with a fixed rate of interest will decrease if potential investors perceive that they can achieve a greater return on an investment by investing in alternative products. If an investor holds a Note bearing a fixed rate of interest through to maturity, changes in the market interest rate may become less relevant to the value as the maturity date approaches. The same risk applies to fixed rate notes providing for an increasing coupon.

### ***Risk associated with the credit spread of the Issuer***

The market price of the Notes may also be negatively affected by an increase in the Issuer's credit spreads, i.e. the difference between yields on the Issuer's debt and the yield of government bonds or swap rates of similar maturity. The Issuer's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such Notes.

### ***Risks associated with Notes subject to an early redemption of the Notes***

The Notes are redeemable in whole at the option of the Issuer prior to the relevant maturity date (in cases there is a maturity date) in the instances prescribed in the Notes Conditions. Any decision by the Issuer as to whether it will redeem the Notes will be made at the absolute discretion of the Issuer. The feature allowing for optional redemption may condition the market value of the Notes and there can be no guarantee that the Noteholders may be able to re-invest the proceeds of such redemption at equivalent or higher rates of return.

In addition, the Issuer may, subject to the relevant Final Terms, always have the right to redeem the Notes if it is required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation as set out in the Notes Conditions.

### ***Risks associated with Notes subject to a redemption extension feature***

Notes which provide for a redemption extension feature may and, to the extent the Issuer exercises its option to do so, will be redeemed later than the stated "initial" maturity date. A premature or early termination right on the part of the Noteholder (and on the ground that an event of default has had occurred) does not exist. Postponing the maturity date in accordance with the extension mechanisms does only result in the obligation of the Issuer to pay distributions on the principal of the Notes until their final redemption date (which must be stated in the applicable Final Terms). Accordingly, the Noteholder must take into consideration that the amount invested in the relevant Notes may not be re-invested prior to such final redemption date (which might occur several years later than the "initial" maturity date).

### ***Risks associated with Notes subject to an optional redemption by the Issuer***

Notes which include a redemption option by the Issuer are likely to have a lower market value than similar securities which do not contain an Issuer redemption option. An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they may be redeemed. This may also be the case prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds

at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The applicable Final Terms will indicate whether the Issuer has the right to redeem the Notes prior to maturity. The Issuer may exercise its right to redeem the Notes if the yield on comparable Notes in the market falls which may result in the investor only being able to invest the redemption proceeds in Notes with a lower yield. If specified in the applicable Final Terms, the Issuer will have the right to redeem the Notes, if the Issuer is required to gross-up payments as a result of the imposition of certain taxes. If the Issuer redeems the Notes prior to maturity, a holder of such Notes is exposed to the risk that as a result of such early redemption its investment will have a lower than expected yield.

#### ***Risks associated with Notes subject to a make-whole call option***

The redemption amount to be paid in case the Notes are subject to a make-whole call option is not predefined in the relevant Final Terms. Said amount corresponds not to a fixed percentage of the principal amount of a Note but to the (positive) difference (if any) of the present value of the principal amount of the relevant Note and the remaining scheduled distribution payments on such Note (discounted with the Benchmark Yield plus 0.5 percentage points) over the principal amount of such Note. Consequently, the redemption amount to be paid, and to the extent such option would be exercised by the Issuer, cannot be set or predefined in the Final Terms (other than its calculation basis). Noteholders should therefore bear in mind that upon the exercise of the make-whole call option, the redemption amount is less than initially expected.

#### ***Risks relating to binding decisions adopted in Noteholders' meetings***

The respective Notes Conditions may provide for meetings of Noteholders (in relation to which the detailed provisions are reproduced in this Base Prospectus) to consider matters affecting their interests generally. These provisions permit, among other things, defined majorities to bind all holders of a series of Notes, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The respective Notes also provide that the Issuer may, without the consent of Noteholders, make any modification to the relevant Notes Conditions which is of a formal, minor or technical nature, or is made to correct a manifest or proven error, or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Notes.

#### ***Risks related to an exercised put option***

The Issuer may not be able to finance a put option redemption. The relevant Notes Conditions (to the extent applicable) will require the Issuer to make an offer to repurchase the Notes at a predefined percentage rate of their aggregate principal amount. The Issuer's failure to effect a put option when required may constitute an event of default under the Notes Conditions, subject to any applicable qualified subordination clause and any pre-insolvency enforcement block. In addition, the ability to repurchase the Instruments as may be required by the Notes Conditions will depend on the Issuer's access to funds at such time, and the Issuer not be able to secure access to enough cash to finance the repurchase.

#### ***Risks associated with Notes issued at a substantial discount or premium***

The Notes may be issued at a substantial discount or premium from their principal amount. Hence, the market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing notes with comparable maturities. In addition, a greater price volatility (especially in case of greater market price difference compared to notes not issued at a substantial discount or premium providing for smaller price spreads) may affect a Noteholder's

investment strategy adversely as a sale of the Notes may even depend more on a (favorable and foreseeable) price development of the Notes.

### ***Risks relating to a change in the currency exchange rates***

In case the Notes are denominated in a currency other than the currency of the jurisdiction where a Noteholder is domiciled or where the Noteholder seeks to receive funds, there is a currency exchange rates risk. As exchange rates between currencies (so-called currency exchange rates) are determined by factors of supply and demand in the international currency markets and are influenced by macro-economic factors, speculations and interventions by central banks and governments as well as by political factors (including the imposition of currency controls and restrictions). In addition, there are other factors (e.g. psychological factors) which are almost impossible to predict (e.g. a crisis of confidence in the political regime of a country) and which also may have a material impact on currency exchange rates. Moreover, currencies may be very volatile. In the event of any irregularities or manipulations in connection with the fixing of currency exchange rates, this may have a material adverse effect on the Notes. In addition, currencies may also be devalued or replaced by a different currency whose development cannot be predicted. The materialization of the risks may also have a material adverse effect on the Notes.

### **Specific and material Risk Factors relating to the Participation Certificates Risk Factors concerning the structure of the Participation Certificates**

#### ***Risks relating to the structure of the Equity Participation Instruments***

The Equity Participation Instruments differ fundamentally from debt-style Participation Certificates and from conventional fixed-income securities.

Although issued in certificate form, they do not provide fixed-income characteristics, no fixed maturity, no holder redemption right and no unconditional entitlement to repayment of their nominal amount. Instead, investors are exposed to the financial performance of the Issuer through variable distributions, if any, and to the balance-sheet-based Net Equity Value upon an issuer call.

In particular:

- the Equity Participation Instruments are subordinated and rank junior to all senior liabilities of the Issuer;
- they do not bear interest and do not provide for fixed or accrued payments;
- annual distributions, if any, depend on the existence of a Participation Pool and may be zero;
- undistributed amounts do not constitute deferred claims for later payment but remain within the equity of the Issuer and may affect the Net Equity Value; and
- upon an issuer call, holders receive a Settlement Amount that may be below the nominal amount or equal to zero.

As a result, the Equity Participation Instruments are economically closer to non-voting equity participation instruments than to conventional subordinated notes. Investors may therefore lose all or a substantial part of their invested capital.

#### ***Risk relating to the fact that the Participation Certificates qualify as subordinated instruments***

The Participation Certificates qualify as subordinated instruments. The obligations of the Issuer under subordinated Participation Certificates constitute unsecured and subordinated obligations and will rank junior in priority of payment to unsubordinated obligations. In the event of insolvency or liquidation of

the Issuer, such obligations will be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts will be payable in respect of such obligations until the claims of all unsubordinated creditors of the Issuer have been satisfied in full. The Issuer expects from time to time to incur additional indebtedness or other obligations that will constitute senior indebtedness, and the subordinated Participation Certificates do not contain any provisions restricting the Issuer's ability to incur senior indebtedness. Although the subordinated Participation Certificates may pay a higher rate of interest than comparable Participation Certificates which are not so subordinated, there is a risk that an investor will lose all or some of its investment should the Issuer become insolvent since its assets would be available to pay such amounts only after all of its senior creditors have been paid in full. In the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the obligations under the subordinated Participation Certificates will be fully subordinated to the claims of unsubordinated creditors of the Issuer and as the case may be as defined in the relevant Final Terms subordinated obligations (within the analogously meaning of Section 39 of the German Insolvency Code (or any successor provision thereof)) of the Issuer.

### ***Risk relating to the pre-insolvency enforcement block***

Analogously to German insolvency law principles and provisions, a pre-insolvency enforcement block, may apply to all payment claims of the Participation Certificate Holders. In such case, all claims arising from the Participation Certificates, in particular the Participation Certificate Holder's claims for payment of interest and repayment of principal (including any other amounts payable under the of Participation Certificates), may be asserted as long as and to the extent that the partial or complete satisfaction of such claims would lead to the issuer being overindebted within the meaning of section 17 of the German Insolvency Code or threatened insolvency within the meaning of section 18 of the German Insolvency Code or insolvency within the meaning of section 19 of the German Insolvency Code as amended (pre-insolvency enforcement block). The pre-insolvency enforcement block therefore already applies to the period before the opening of insolvency proceedings. The Participation Certificate Holder may therefore not demand fulfilment of his claims arising from the Participation Certificates if the Issuer is over-indebted or insolvent or threatens to become so at the time of the Participation Certificate Holder's demand for payment. In this respect, the pre-insolvency enforcement block can lead to a permanent, unlimited non-fulfilment of the Participation Certificate Holder's claims.

This mechanism further reinforces the equity-like risk profile of the Participation Certificates.

### ***Risk relating to the ranking of investors' claims***

Participation Certificate Holders may not demand that the Issuer give priority to their interest and repayment claims over other claims of third parties. This also applies insofar as these other claims have the same priority as the claims of Participation Certificate Holders. In the event of the liquidation of the Issuer, the subordinated claims shall rank behind all non-subordinated claims and all subordinated claims within the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code. This can lead to a complete loss of the invested capital on the part of the Participation Certificate Holders. If insolvency proceedings are opened against the Issuer's assets, the Participation Certificate Holder may assert claims (distribution, repayment of the capital and all other amounts payable under the Participation Certificates) against the insolvency administrator only as a subordinated insolvency creditor. Payments to the Participation Certificate Holder from the insolvency estate shall only be made when all claims of the Participation Certificate Holder, in particular the non-subordinated claims and all subordinated claims within the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, have been satisfied in full. The amount of the actual payments thus depends on the amount of the insolvency estate. If the insolvency estate is insufficient to make payments on subordinated claims in the insolvency proceedings, this would result in the Participation Certificate Holder's complete loss of the capital invested.

This ranking structure reflects the subordinated and equity-like nature of the Participation Certificates.

**a) Risk Factors relating to the Loss Participating Mechanism applicable to the Participation Certificates**

***Risks stemming from the occurrence or increase of an annual loss with respect to distributions***

As described above under "Risks relating to the equity-like structure of the Participation Certificates", the equity-like Participation Certificates participate in losses of the Issuer. Notwithstanding that the Participation Certificate Holders are entitled to receive distributions in accordance with the Participation Certificates Conditions, payment of such distributions on the Participation Certificates is limited by the fact that this payment must not result in or increase an annual loss. The entitlement to distribution shall be reduced or shall lapse to the extent that it would result in or increase an annual loss. If, accordingly, the Issuer's net retained profits are not sufficient to pay the distribution claim of the Participation Certificate Holders, the distribution claim will be reduced accordingly. The reduced distribution on the Participation Certificates shall be made in proportion to the respective distribution claims to each other. This mechanism also applies in relation to other outstanding subordinated liabilities of the Issuer that rank pari passu with the Participation Certificates and provide for a corresponding regulation. In line with the Participation Certificates Conditions, prospective investors should note that no subsequent payment of reduced or cancelled distributions shall be made. Thus, a reduction (or a complete shortfall) of distributions has a material adverse effect on the return (or yield) achievable for the Participation Certificate Holders.

***Risks stemming from the participation in an annual loss with respect to the capital invested in the Participation Certificates (conditional replenishment right and conditional claim for backpayment)***

Each Participation Certificate participates in any annual loss of the Issuer in the amount of up to the value of the nominal amount of each Participation Certificate. The participation in any annual loss of the Issuer is limited to the value of the nominal amount of each Participation Certificate. A participation of any Participation Certificate Holder itself beyond its investment in the Participation Certificates is excluded and no personal liability will apply. The repayment claim of the Participation Certificate Holders shall be either reduced in the amount of the accumulated loss in the ratio in which the total nominal amount of the profit Participation Certificates stands to the total participation certificate capital shown in the financial statements and other outstanding subordinated liabilities which provide for a corresponding loss participation, or senior to any other loss transferable instruments of the Issuer (including, but not limited, to all individual items of equity), if necessary up to the full amount. To the extent applicable according to the relevant Final Terms, losses carried forward and accumulated losses from previous years shall not be taken into account. According to the Participation Certificates Conditions, a participation of a Participation Certificate Holder in an annual loss stipulates a (conditional) right to replenishment and a (conditional) claim for backpayment (which continues for three financial years after the end of the term of the Participation Certificates). Repayment claims are to be replenished up to the total nominal amount of the Participation Certificates in the following years, if and to the extent that this does not result in, or increase, an annual loss. In case the amount stemming from an annual profit is not sufficient for the full replenishment of the Participation Certificates and other outstanding subordinated liabilities of the Issuer which rank pari passu with the Participation Certificates and provide for a corresponding provision, the replenishment of the capital of the Participation Certificates shall be carried out proportionately in the ratio of their total aggregate nominal amount to the aggregate nominal amount of the other outstanding subordinated liabilities of the Issuer. This shall also apply accordingly to other Participation Certificates to be issued in the future, provided that their respective terms and conditions provide for a corresponding replenishment claim. In addition, and to the extent a participation in an annual loss at the end of the term of the Participation Certificates (or in case of a premature redemption) had occurred, an annual profit would arise in the following three financial years without corresponding replenishments, a claim for backpayment, i.e. a claim with respect to any differential amount between the aggregate nominal amount of the Participation Certificates and the amount repaid (on the respective day of redemption) due to a reduction of the repayment claim pursuant to the Participation Certificates Conditions and which is to be paid in arrears, shall be satisfied by the Issuer as follows: The claim for backpayment under the Participation Certificates shall first be satisfied before any other appropriation of profits is made. To the extent the relevant annual profit is not

sufficient to make a full subsequent payment in respect of the Participation Certificates and other outstanding subordinated liabilities of the Issuer ranking pari passu with the Participation Certificates and provide for a corresponding provision, the subsequent payment shall be made pro rata in the following ratio: Claim for backpayment to the claim for subsequent payment under the other outstanding subordinated liabilities of the Issuer. Save for a satisfaction to take place in line with the provisions setting out the rules for a claim for backpayment, the reduction in the repayment claim due to participation in annual loss would have a significant adverse effect on the Participation Certificate Holders, as the amount of capital repaid by the Issuer would be less than the amount invested by such Participation Certificate Holders, which would mean a loss of at least part (or all) of the invested capital.

#### ***Risks relating to the dependency of distributions on the Issuer's profitability***

The Participation Certificates provide for distributions which are linked to the financial performance of the Issuer. Any entitlement to distributions is subject to the condition that sufficient distributable profits are available at the level of the Issuer. In particular, distributions may only be made to the extent that such payments do not result in or increase an annual loss. Accordingly, there is a risk that no distributions will be made in a given financial year, even if investors had expected positive returns. Furthermore, distributions may be reduced or fully cancelled, without any obligation of the Issuer to compensate for such reductions in subsequent periods unless explicitly provided otherwise, depending on the Issuer's financial performance. In such cases, no subsequent compensation or catch-up payments may be made, unless explicitly provided for in the applicable terms and conditions. As a result, investors may receive significantly lower returns than expected or no return at all. This may have a material adverse effect on the economic outcome of an investment in the Participation Certificates.

To the extent that distributions are based on a defined distribution pool (in case of own-capital like Profit Participation Notes), such pool depends on the overall financial results of the Issuer and may be subject to prior allocations, loss coverage or other adjustments.

There is a risk that the distribution pool may be reduced or may not be available at all, which would directly affect the amount of distributions payable to investors.

#### ***Risks relating to the combined effect of subordination and loss participation***

The Participation Certificates combine features of subordination and participation in losses. This means that investors may not only be subordinated in insolvency scenarios but may also participate in losses during the term of the Participation Certificates. As a result, there is a significantly increased risk that investors may lose all or a substantial part of their invested capital.

As described above under "Risks relating to the equity-like structure of the Participation Certificates", the Participation Certificates are (qualified) subordinated obligations.

### **b) Risk Factors related to specific features of the Participation Certificates**

#### ***Risks associated with Participation Certificates which allow for the substitution of the Issuer***

The Participation Certificates Conditions may contain provisions for the substitution of another company as principal debtor (including, as applicable, a subsequent substitution of the debtor) under the Participation Certificates in place of the Issuer. The amounts which Participation Certificate Holders should receive in respect of the Participation Certificate may be affected in the event that the Issuer substitutes another company for itself as issuer of the Participation Certificates under the relevant Participation Certificates Conditions.

#### ***Risks relating to a negative development of the market price of the Participation Certificates***

In the event that a market for the Participation Certificates exists or develops, the development of its market price will depend on various factors, such as changes in the level of market interest rates, central

bank policies, macroeconomic developments, the rate of inflation or the absence or excess of demand for the Participation Certificates. The Participation Certificate Holders are therefore exposed to the risk of an unfavourable development of the market prices of their Participation Certificates, which will occur if the Participation Certificate Holders sell the Participation Certificates before maturity. If the described risk were to materialise, this could have a significant negative impact on the price of the Participation Certificate and lead to corresponding losses for investors in the event of a sale of these securities before maturity.

***Risk Factors relating to different early redemption scenarios:***

*Risks relating to an early redemption of the Participation Certificates (Call Option of the Issuer)*

To the extent set out in the Participation Certificates Conditions of the relevant Final Terms, the Issuer has the right to call the Participation Certificates prior to their stated maturity at the option of the Issuer (so-called call option) on one or several dates determined beforehand or subject to the occurrence of an event specified in the Participation Certificates Conditions. Since the Issuer may redeem the Participation Certificates prior to their applicable maturity date, it is possible that the Participation Certificate Holders may receive less or substantially less redemption monies than if the Issuer redeemed such Participation Certificates on their stated maturity date as the redemption amount to be paid in case of an early redemption scenario may be subject to the mechanism provided for in the provision of the Participation Certificates Conditions entitled "*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*" (to the extent applicable according to the relevant Final Terms). In case the early redemption amount paid by the Issuer in accordance with a call option is less than the amount to be paid on the maturity date of the Participation Certificates, this may significantly reduce the (expected) income to be generated by an investment in the Participation Certificates and therefore these circumstances and possible negative impacts should be taken into account with regard to the overall investment strategy.

*Risks relating to the exclusion of the right to redeem debt-style Participation Certificates early (exclusion of Put Option of the Participation Certificate Holders)*

The relevant Final Terms may exclude the right of the Participation Certificate Holders to exercise a so-called put option. Therefore, prospective investors should note that, subject to an early redemption of the debt-style Participation Certificates due to an event of default scenario, the Participation Certificate Holders may not redeem their debt-style Participation Certificates early and, correspondingly, the Issuer is no obliged to pay any put redemption amounts.

*Risks relating to an early redemption of debt-style Participation Certificates (Put Option of the Participation Certificate Holders)*

To the extent a so-called put option is enabled according to the relevant Final Terms and the respective Participation Certificate Holder exercises its put right in line with the requirements set out in the respective provision of the debt-style Participation Certificates Conditions, prospective investors should note that the put redemption amount to be paid by the Issuer may (if applicable according to the relevant Final Terms) be subject to the mechanism provided for in the provision of the debt-style Participation Certificates Conditions entitled "*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*". Consequently, an early redemption of the debt-style Participation Certificates based on an exercised put option prior to the stated maturity date of the debt-style Participation Certificates thus may have a material adverse effect on the redemption amount of such debt-style Participation Certificates and may have a negative impact on the investment strategy of an investor in the debt-style Participation Certificates.

*Risks relating to an early redemption of debt-style Participation Certificates in connection with an event of default*

The Terms and Conditions of the debt-style Participation Certificate provide for the right of each Participation Certificate Holder to declare its debt-style Participation Certificates due and demand immediate redemption thereof at the early redemption amount specified in the relevant Final Terms to the extent that one or more so-called events of default have occurred and are still continuing. Notwithstanding the afore-mentioned mandatory right of the Participation Certificate Holder, the redemption amount to be paid in such case may be less than the redemption amount to be paid on the maturity date as the amount to be paid may be subject to the mechanism provided for in the provision of the debt-style Participation Certificates Conditions entitled "*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*" (to the extent applicable according to the relevant Final Terms). Hence, an early redemption of the debt-style Participation Certificates based on an event of default prior to the stated maturity date of the debt-style Participation Certificates thus may have a material adverse effect on the redemption amount of such debt-style Participation Certificates and may have a negative impact on the investment strategy of an investor in the debt-style Participation Certificates.

### ***Risks relating to binding decisions adopted in Participation Certificate Holders' meetings***

The respective debt-style Participation Certificates Conditions may provide for meetings of Participation Certificate Holders (in relation to which the detailed provisions are reproduced in this Base Prospectus) to consider matters affecting their interests generally. These provisions permit, among other things, defined majorities to bind all holders of a series of debt-style Participation Certificates, including Participation Certificate Holders who did not attend and vote at the relevant meeting and Participation Certificate Holders who voted in a manner contrary to the majority. The respective debt-style Participation Certificates Conditions also provide that the Issuer may, without the consent of Participation Certificate Holders, make any modification to the relevant debt-style Participation Certificates Conditions which is of a formal, minor or technical nature, or is made to correct a manifest or proven error, or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the debt-style Participation Certificates.

### ***Risks relating to a change in the currency exchange rates***

In case the debt-style Participation Certificates are denominated in a currency other than the currency of the jurisdiction where a Participation Certificate Holder is domiciled or where the Participation Certificate Holder seeks to receive funds, there is a currency exchange rates risk. As exchange rates between currencies (so-called currency exchange rates) are determined by factors of supply and demand in the international currency markets and are influenced by macro-economic factors, speculations and interventions by central banks and governments as well as by political factors (including the imposition of currency controls and restrictions). In addition, there are other factors (e.g. psychological factors) which are almost impossible to predict (e.g. a crisis of confidence in the political regime of a country) and which also may have a material impact on currency exchange rates. Moreover, currencies may be very volatile. In the event of any irregularities or manipulations in connection with the fixing of currency exchange rates, this may have a material adverse effect on the debt-style Participation Certificates. In addition, currencies may also be devalued or replaced by a different currency whose development cannot be predicted. The materialization of the risks may also have a material adverse effect on the debt-style Participation Certificates.

## **HOW TO USE THIS BASE PROSPECTUS**

### ***INTRODUCTION – WHO IS THE ISSUER?***

The Instruments will be issued by the Issuer (Timberland Securities Investment plc with registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta). The payment of amounts due under the Instruments is subject to the Issuer's financial position and its ability to meet its obligations. There is no guarantee that sufficient funds are available to facilitate such payments.

### ***TYPES OF INSTRUMENTS***

This Base Prospectus provides information about the following type of Instruments, that may be issued in connection with the Base Prospectus.

The following types of Instruments can be issued under the Base Prospectus:

Notes:

- i. (senior or subordinated) German fixed rate bearer notes;
- ii. (senior or subordinated) Luxembourg fixed rate bearer notes;
- iii. (senior or subordinated) Luxembourg fixed rate registered notes; and
- iv. (senior or subordinated) Maltese fixed rate registered notes.

Participation Certificates

Participation Certificates:

- i. Participation Certificates in bearer form;
- ii. Participation Certificates in registered form, and
- iii. Equity Participation Instruments in bearer form.

### ***WHAT OTHER DOCUMENTS DO I NEED TO READ?***

This Base Prospectus contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Instruments. Some of this information is incorporated by reference and some of this information is completed in an issue-specific document called the Final Terms. Prospective investors should read the documents incorporated by reference, as well as the Final Terms in respect of such Instruments, together with this Base Prospectus.

### ***WHAT INFORMATION IS INCLUDED IN THE FINAL TERMS?***

While this Base Prospectus includes general information about all types and features of Instruments, the Final Terms is the document that sets out the specific details of each particular issuance of Instruments. For example, the Final Terms will contain:

- i. a reference to the terms and conditions that are applicable to the particular issuance of Instruments;
- ii. the issue date;
- iii. the scheduled redemption; and

- iv. any other information needed to complete the terms included in this Base Prospectus for the particular Instruments (identified by, e.g., the words 'as specified in the relevant Final Terms' or other equivalent wording).

Wherever the relevant terms and conditions of the provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of Instruments.

***LANGUAGE OF THE BASE PROSPECTUS***

The language of the Base Prospectus is English.

## ROADMAP FOR THE BASE PROSPECTUS

This Base Prospectus is split up into a number of parts and further divided into sections, each of which is briefly described below.

### *General Information:*

Section " <b>GENERAL DESCRIPTION OF THE OFFERING AND OF THE INSTRUMENTS</b> " provides general details about the offering of Instruments under the Base Prospectus and the Instruments the Issuer may issue under the Base Prospectus.	p. 5 et seqq.
Section " <b>RISK FACTORS</b> " provides details of the material risks associated with the Issuer and the Instruments.	p. 21 et seqq.
Section " <b>FREQUENTLY ASKED QUESTIONS</b> " provides general and specific information about the Issuer and the Instruments by way of a question-and-answers format.	p. 52 et seqq.
Section " <b>THE ISSUER</b> " provides an overview on the Issuer, inter alia on its corporate legal structure and its financial position.	p. 286 et seqq.
Section " <b>TAXATION</b> " provides a mandatory warning notice with respect to tax legislation applicable in the Public Offer Jurisdictions.	p. 297
Section " <b>DOCUMENTS INCORPORATED BY REFERENCE</b> " provides details of the documents incorporated by reference which form part of this Base Prospectus.	p. 300
Section " <b>GENERAL INFORMATION</b> " provides additional, general disclosure in relation to the issuances under the Base Prospectus and the Issuer not included in other sections of the Base Prospectus.	p. 304 et seqq.

### *Special Information relating to the Instruments:*

Sub-section " <b>THE INSTRUMENTS</b> " provides details of how an investment in the Notes and/or the Participation Certificates works and a description of the Instruments the Issuer may issue under the Base Prospectus.	p. 6 et seqq.
Section " <b>ISSUE PROCEDURES</b> " sets out the provisions which, in case applicable, for convening meetings of Noteholders to consider matters affecting their interests.	p. 62 et seq.
Section " <b>TERMS AND CONDITIONS OF THE NOTES</b> " sets out the relevant terms and conditions which govern the Notes.	p. 64 et seqq.
Section " <b>TERMS AND CONDITIONS OF THE PARTICIPATION CERTIFICATES AND EQUITY PARTICIPATION INSTRUMENTS</b> " sets out the relevant terms and conditions which govern the Participation Certificates.	p. 197 et seqq.
Section " <b>PROVISIONS FOR MEETINGS OF NOTEHOLDERS</b> " sets out the provisions which, in case applicable, for convening meetings of Noteholders to consider matters affecting their interests.	p. 251 et seqq.
Section " <b>PROVISIONS FOR MEETINGS OF PARTICIPATION [CERTIFICATE][INSTRUMENT] HOLDERS</b> " sets out the provisions which, in case applicable, for convening meetings of Participation Certificate Holders to consider matters affecting their interests.	p. 258 et seqq.
Section " <b>FORM OF FINAL TERMS</b> " sets out the template of the Final Terms, a document which will be filled out for each issue of Instruments and which will complete the relevant terms and conditions in respect of each such issue of Instruments.	p. 267 et seqq.

Section " <b>SELLING RESTRICTIONS</b> " sets out certain selling restrictions that apply to the Instruments.	p. 298 et seq.
Section " <b>OFFER TO THE PUBLIC</b> " provides for additional, general information in relation to each issuance of Instruments under the Base Prospectus not included in other sections of the Base Prospectus.	p. 301 et seqq.

## RESPONSIBILITY STATEMENT

The Issuer, Timberland Securities Investment plc, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta, accepts responsibility for the information contained in this Base Prospectus. The Issuer, having taken all reasonable care to ensure that such is the case, declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and no omission is likely to affect its import.

The Issuer states, that

- a) the Base Prospectus has been approved by the Swedish Financial Supervisory Authority Finansinspektionen, as competent authority under Regulation (EU) 2017/1129;
- b) the Swedish Financial Supervisory Authority Finansinspektionen only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- c) such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus or of the quality of the securities that are the subject of final terms according to this Base Prospectus;
- d) investors should make their own assessment as to the suitability of investing in the securities.

## CONSENT TO THE USE OF THE BASE PROSPECTUS

The Issuer hereby consents to the use of the Base Prospectus (under which the offer of the Instruments takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Instruments to the extent and the conditions as set out in the Base Prospectus and the Final Terms during the term of its validity in accordance with Article 5 of the Prospectus Regulation.

The Issuer accepts responsibility for the information given in the Base Prospectus, in any supplement thereto as well as in the Final Terms also with respect to the subsequent resale or final placement of the Instruments by financial intermediaries, who obtained the consent to use the Base Prospectus, any supplement thereto as well as the Final Terms.

Such consent is given to all (so-called general consent) financial intermediaries (so-called individual consent).

Such consent is given in relation to the following member states, in which the Base Prospectus is valid or into which it has been passported as specified in the Final Terms: Republic of Austria, the Kingdom of Belgium, Kingdom of Sweden, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the Federal Republic of Germany, the French Republic, Hungary, the Republic of Ireland, the Italian Republic, the Republic of Malta, the Netherlands, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain.

The Issuer's consent to the use of the Base Prospectus is given under the condition that each financial intermediary complies with the applicable selling restrictions and the terms and conditions of the offer. Furthermore, in connection with the consent to the use of the Base Prospectus the Issuer may impose the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Instruments. This commitment is made by the publication of the financial intermediary on its website stating that the Base Prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent. The consent to the use of the Base Prospectus will be given for the period as set out in the Final Terms.

The distribution of this Base Prospectus, any supplement thereto and the Final Terms as well as the offer, sale and the delivery of the Instruments may be restricted by law in some jurisdictions. Each financial intermediary and/or each person, who is in the possession of this Base Prospectus, a supplement thereto and the Final Terms, must be informed of and comply with such restrictions. The Issuer reserves the right to withdraw its consent to the use of this Base Prospectus in relation to certain financial intermediaries.

**In the event of an offer being made by a financial intermediary, the financial intermediary shall provide information to investors on the terms and conditions of the Instruments at the time of that offer.**

**Any financial intermediary using the Base Prospectus shall state on its website that it uses the Base Prospectus in accordance with this consent and the conditions attached to this consent.**

New information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms, as the case may, will be published and will be found on the website of the Issuer (<https://timberlandsecuritiesinvestmentplc.com> or any successor website, in which case an automatic redirection will be ensured by the Issuer).

## ADDITIONAL INFORMATION

### I. DISSEMINATION OF INFORMATION

No person is authorised to disseminate or make any representations in connection with the issue and offering of Instruments other than the information contained in this Base Prospectus and the relevant Final Terms. If such information is nevertheless disseminated or assured, such information must not be regarded as authorised by the Issuer or any paying agent or other person mentioned in this Base Prospectus.

Neither the provision of this Base Prospectus nor the offering, sale or delivery of Instruments constitutes a guarantee that

- (i) the information contained in this Base Prospectus is accurate at a time after the date of publication of this Base Prospectus or at a time after the publication of a supplement or a supplement thereto approved by the Swedish FSA, or
- (ii) no material adverse change in the Issuer's business or financial condition which is material in connection with the issue and sale of the Instruments occurred at any time after the date of publication of this Base Prospectus or at any time after the publication of any addendum to or supplement to this Base Prospectus approved by the Swedish FSA,
- (iii) any other information relating to the issue of the Instruments was accurate at any time other than the time it was notified or dated. The distribution agents, paying agents and any other person mentioned in this Base Prospectus (each a **Third-Party Person**) expressly refrain from reviewing the assets, liabilities, financial position and profit or loss of the Issuer during the term of the Instruments or from advising investors on any information that becomes available to the respective Third-Party Person.

No other person (including Third-Party Person) than the Issuer is responsible for any information or documents contained or incorporated by reference in this Base Prospectus and to the extent permitted by applicable law in any jurisdiction excludes liability and warranty for the accuracy and completeness of the information contained in such documents.

The respective Third-Party Person has not independently verified this information and assumes no liability for its accuracy.

If, after approval of this Base Prospectus and before the close of the public offering, important new circumstances or material inaccuracies arise with regard to the information contained in the Base Prospectus which could influence the assessment of the securities, the Issuer is obliged under the Prospectus Regulation to supplement the Base Prospectus accordingly. Supplements (if any) to this Base Prospectus will be approved by the Swedish FSA and published in accordance with Article 21 of the Prospectus Regulation.

This Base Prospectus must be read and construed together with all supplements, if any, and together with all documents incorporated by reference in this Base Prospectus. Any new information regarding financial intermediaries unknown at the time of the approval of the Base Prospectus or the transmission of the Final Terms is available at <https://timberlandsecuritiesinvestmentplc.com>. All websites included in the Base Prospectus are for information purposes only and are not part of the Base Prospectus.

The Instruments are not suitable for all investors. Investors should make their own enquiries about the Issuer's net assets, financial position and results of operations before deciding to purchase the Instruments and should make their own assessments of the Issuer's creditworthiness and their own assessment of the Instruments. Neither this Base Prospectus nor any other information given in

connection with the Instruments constitutes a recommendation by the Issuer or a Third-Party Person nor any other person mentioned in this Base Prospectus to the investor to purchase the Instruments.

This Base Prospectus does not constitute an offer and may not be used for the purpose of making an offer in any jurisdiction in which such offer is unlawful or to any person to whom such offer would be unlawful.

The Issuer, Distribution Agents, Paying Agent(s) or any other person mentioned in this Base Prospectus make no representation that this Base Prospectus will be lawfully distributed or that the Instruments will be lawfully offered in accordance with the requirements of the applicable laws in accordance with applicable registration requirements or other legal requirements or applicable exemptions and assume no liability for the support of the offer or the distribution. In particular, the Issuer, Distribution Agents, Paying Agent(s) or any other person mentioned in this Base Prospectus have not taken any action in those jurisdictions where such action is necessary for the purpose of the offer or dissemination.

## **II. FORWARD LOOKING STATEMENTS**

This Base Prospectus contains certain forward-looking statements. Forward-looking statements are statements that relate not to historical facts, but to future events or circumstances. They can be identified by words such as "believe", "assume", "wait", "assumed", "estimate", "plan", "intend", "hope", "may" or similar expressions. Forward-looking statements are based on current estimates and assumptions made by the Issuer to the best of its knowledge, and are subject to risks and uncertainties that could cause the actual financial condition and results of operations of Timberland Securities Investment plc to differ materially (in particular to the negative) from those expressed or implied in the forward-looking statements. The Issuer is under no obligation to update any forward-looking statements or to conform them to future events or developments to the extent otherwise required by law.

## **III. FIGURES AND CURRENCY INFORMATION**

Figures in this Base Prospectus in units of thousand / million / billion and percentages have been rounded according to commercial practice. Totals or subtotals contained in tables may differ slightly from the unrounded amounts stated elsewhere in this Base Prospectus due to commercial rounding. Furthermore, due to rounding, individual figures and percentages may not add up exactly to totals or subtotals contained in tables or elsewhere in this Base Prospectus. With respect to the financial information contained in this Base Prospectus, "n/a" means that the relevant figure is not available, while a zero ("0") means that the relevant figure is available but has been rounded to zero.

This Base Prospectus contains currency denominations in Euro. Currency denominations have been identified and abbreviated as either "Euro" or "EUR" before the amount.

## **IV. INFORMATION PROVIDED BY THIRD PARTIES AND REFERENCES TO SPECIFIED INTERNET PAGES**

The Issuer declares that information from third-party sources that is cited here has been reproduced accurately. As far as the Issuer is aware and is able to ascertain from information published by such third-party, no facts have been omitted which would render the reproduced information published inaccurate or misleading.

The contents of the websites mentioned in this Base Prospectus are for information purposes only and are not part of this Base Prospectus.

## V. PUBLICATION OF THIS BASE PROSPECTUS

This Base Prospectus, once approved by the Swedish FSA, shall be filed with the Swedish FSA and published on the website of the Issuer at <https://timberlandsecuritiesinvestmentplc.com> or any successor website thereof.

Paper copies of this Base Prospectus may also be obtained free of charge during normal business hours from Timberland Securities Investment plc (CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta).

## VI. PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA

If the relevant Final Terms in respect of any Instruments include a legend entitled "*Prohibition of Sales to Retail Investors in the European Economic Area*", the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, where that customer would not qualify as a professional client as defined in Point (10) of Article 4 (1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC. If the relevant Final Terms include the above-mentioned legend, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, as amended (**PRIPs Regulation**), for offering or selling the Instruments or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

## VII. MIFID II PRODUCT GOVERNANCE AND IDENTIFICATION OF THE TARGET MARKET

The Final Terms in respect of any Instruments include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a **Distributor**) should take into consideration the target market assessment; however, a Distributor subject to MiFID II (as amended) is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (**MiFID Product Governance Rules**), any dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Issuer nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

With regard to the product governance requirements under (i) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, (ii) Articles 9 and 10 of Commission Delegated Regulation (EU) 2017/593 supplementing MiFID II and (iii) local implementing measures (together the **MiFID II requirements**) and rejecting any liability, whether in tort, contract or otherwise which any "manufacturer" (for the purposes of MiFID II requirements) is subject to in relation to the Instruments offered, the Instruments have been subject to a product release process. As a result, it was determined

that the Instruments are directed at retail investors, professional clients and eligible counterparties (each as defined in MiFID II) (the **Target Market Determination**) and the Instruments are eligible for distribution under MiFID II using all eligible distribution channels. Irrespective of the target market regulation, the market price of the Instruments may fall and investors may lose all or part of their invested capital. The Instruments offer no guaranteed income and no capital protection. An investment in the Instruments is only acceptable to investors who do not require guaranteed income or capital protection, who are able (alone or in conjunction with a suitable financial or other advisor) to evaluate the merits and risks of such an investment and who have sufficient financial resources to compensate for any losses. The target market will be determined without prejudice to any contractual, statutory or regulatory restrictions on the sale of the Instruments offered (see section "*Selling Restrictions*"). For the avoidance of doubt, the Target Market Definition does not constitute (i) an assessment of suitability or appropriateness (for the purposes of MiFID II) nor (ii) a recommendation to any investor or group of investors to subscribe for the Instruments or take any other action with respect to the Instruments.

## **VIII. DISTRIBUTION AGENTS**

The Issuer has authorised the making of a public offer of the Instruments by the distribution agents as set out in the relevant Final Terms (the **Distribution Agents**) in the Public Offer Jurisdictions during the offer period and the Issuer has consented to the use of this Base Prospectus by any other person authorised by the Distribution Agents in connection with any public offer of Instruments (under which the offer of the relevant Instruments takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Instruments to the extent and the conditions as set out in the Base Prospectus and the Final Terms during the term of its validity in accordance with Article 12 of the Prospectus Regulation.

Information on the terms and conditions of the offer of the Notes and the Participation Certificates by a Distribution Agent is to be provided at the time of the offer by the relevant Distribution Agent.

## FREQUENTLY ASKED QUESTIONS

This part of the Base Prospectus is intended to answer some of the questions which a prospective investor may have when considering an investment in the Instruments. However, any decision to invest in Instruments should only be made after having carefully considered all relevant sections of this Base Prospectus (especially the section "*Risk Factors*") and the relevant Final Terms, and consulted with financial and other professional advisors. Prospective investors should make their own independent investigation of the financial condition and affairs of the Issuer and their own appraisal of the Issuer's creditworthiness.

**This section is not intended to be a substitute for or a complete summary of the Notes Conditions or Participation Certificates Conditions or the section "*General Description of the Offering and the Instruments*". The respective conditions as set out in the relevant Option in connection with the relevant Final Terms prevail.**

This part begins with a section explaining the general features of all Instruments issued under the Base Prospectus. In addition, the following two sections each provide for a separate abstract which explains certain features that only apply to a specific type of Instruments issued under the Base Prospectus. Prospective investors should therefore read the section "General" and the specific sections ("Notes" and "Participation Certificates") that describe the relevant instrument type in which a prospective investor is considering to invest in.

Capitalised terms shall have the meanings given to them in the Base Prospectus.

<b>General</b>		
(1)	What should a prospective investor read before investing?	<p>A prospective investor should carefully read and understand both the Base Prospectus and the relevant Final Terms prior to investing in the relevant Instruments. Any decision to invest in the Instruments should be based on a consideration of this Base Prospectus as a whole (as supplemented from time to time) including the documents incorporated by reference (if any) and the relevant Final Terms.</p> <p>This Base Prospectus contains information about the Issuer, the terms and conditions applicable to the relevant Instruments and general information about the offer and issue of the Instruments. In addition, the Base Prospectus provides information about risks related to the Issuer (and its financial situation as well as with regards to its business conducted) and risks attached to the Instruments.</p> <p>The relevant Final Terms complete the Notes Conditions or the Participation Certificates Conditions (as applicable) and contain the specific issue terms of the Instruments together with information about how investors can</p>

		purchase them and other product specific information.
(2)	Who is the Issuer?	The Issuer is Timberland Securities Investment plc, a public limited liability company established under the laws of Malta.
(3)	What is the business of the Issuer?	The Issuer acts as a arranger or sub-arranger for the issuances of other issuers and performs services such as consulting and legal services.
(4)	What are the Instruments?	<p>The Instruments are securities issued by the Issuer under this Base Prospectus. Under this Base Prospectus, the Issuer may issue different types of Notes as well as different categories of Participation Certificates.</p> <p>The Participation Certificates comprise two structurally distinct categories:</p> <p>(i) debt-style Participation Certificates; and</p> <p>(ii) Equity Participation Instruments.</p> <p>Debt-style Participation Certificates are subordinated debt instruments which may provide for distributions and a repayment claim, subject to the applicable loss participation mechanics.</p> <p>Equity Participation Instruments are perpetual, equity-like participation instruments. They do not provide fixed interest, no fixed maturity and no unconditional repayment claim in the nominal amount. Instead, they provide for variable distributions, if any, by reference to the Participation Pool and, upon an issuer call, for a Settlement Amount linked to the Net Equity Value of the Issuer.</p>
(5)	What are the Final Terms?	<p>The Final Terms constitute "Final Terms" according to Article 8 of the Prospectus Regulation.</p> <p>The purpose of the Final Terms prepared in connection with each issue of Instruments is to complete the relevant Notes Conditions or the Participation Certificates and complete the missing information which is specific to the Instrument and the issue conditions.</p>

(6)	What security do the Instruments provide for?	<p>The Instruments do not benefit from any guarantee, surety or equivalent third-party payment undertaking.</p> <p>Unless expressly otherwise specified in the relevant Final Terms, Notes or Bonds, as applicable, are not secured by any collateral. Where collateral security is specified in the relevant Final Terms, the nature, scope, ranking and enforcement of such collateral security will be described in the relevant Final Terms. Any such collateral security does not alter the contractual ranking or subordination of the claims under the Notes or Bonds.</p> <p>Participation Certificates, including Equity Participation Instruments, are not secured by any collateral.</p>
<b>Notes</b>		
(1)	What types of Notes can be issued by the Issuer?	The Issuer only issues Notes either set up as fixed rate notes or step-up notes. Each Note issued under the Base Prospectus therefore is a "fixed-rate note".
(2)	What are the general differences between Notes issued under the relevant Option (according to the Notes Conditions)?	<p>First difference – the Notes may be issued in bearer or registered form. This may affect the process of transferability and the available mean and ways to sell the Notes to others.</p> <p>Second difference – the Notes Conditions according to each Option are governed by different applicable laws (either German, Luxembourg or Maltese and in some cases, certain provisions of the Notes Conditions are governed by a different law in comparison to the rest of the Notes Conditions).</p>
(3)	What is the difference between fixed rate notes and step-up notes?	<p>Both type of notes provide for (a) fixed rate interest coupon(s) applicable to a certain interest period. The sum of interest to be paid for such a particular interest period is not calculated on a variable reference rate that is, at the date of the investment made into the Notes, unknown to the Investor in terms of its value/high.</p> <p>Notes set up as step-up notes provide for an additional mechanism. The fixed interest rate</p>

		will increase after the lapse of an interest period and the corresponding interest amount increasing accordingly.
(4)	What is the difference between bearer notes and registered notes?	<p>Bearer notes are freely and informally transferable (by way of involvement of a central securities systems and the Noteholder's account bank) and the investors remain anonymous as the Issuer does not have the owner's name and contact information on file at. Consequently, for interest payments and repayment of principal or other redemption amounts, the central securities system and the Noteholder's account bank are involved, too). Bearer notes are commonly listed (or included to trading) on a stock exchange and therefore the bearer notes can generally be sold at current market prices via that stock exchange.</p> <p>Registered notes are bonds made out to a specific person. They are therefore, by definition, not intended for regular transfer to other persons and are not admitted to trading on the stock exchange. Registered notes may, however, be assigned to other persons. The Issuer, maintaining the register where registered notes are registered with, do have the owner's name and contact information on file. This allows the Issuer to provide interest and maturity payments directly to the registered owner. Except for a dematerialization of the registered notes and a so-called clearing ability, registered notes are, in general, not necessarily listed or included to trading on a stock exchange.</p>
(5)	What does it mean when Notes are "senior" and not "subordinated"?	When notes are called "senior notes" that means that they are considered before other junior bonds in the hierarchy of payment during liquidation of the Issuer. Senior bonds come with lower risk in comparison to so-called subordinate notes which in general come with higher returns and relatively higher risk. In the extreme case of liquidation of the Issuer, senior notes are paid off before subordinate notes.
(6)	What does it mean when Notes are subordinated?	Subordinated notes rank below other, more senior notes (or other debt instruments or loans) with respect to claims on assets or earnings. In the case the Issuer defaults, investors who own

		subordinated debt will not be paid out until after senior creditors are paid in full.
(7)	What does it mean when a subordination clause or a qualified subordination clause applies the Notes?	<p>Subordination clauses regulate the order in which the holders of claims under notes are satisfied in case of an insolvency scenario of the Issuer. The worse the ranking of the claims, the less likely it is that their creditors will be served even partially in the insolvency proceedings. They are only taken into account if the assets are sufficient to satisfy all investors with a higher ranking in full. As long as no insolvency proceedings have been opened, an investor who is not also a shareholder can, in principle, reclaim the full amount lent as soon as the claim is due.</p> <p>In the case of qualified subordination, the Notes Conditions rule out that the Noteholder's claims will not be serviced even if repayment would cause insolvency.</p>
(8)	What is a pre-insolvency enforcement block that may apply to the Notes?	<p>A pre-insolvency enforcement block is a legal mechanism that may apply in connection with an insolvency scenario of the Issuer – and even before insolvency reasons have realized. All claims of the investor under the Notes Conditions agreement cannot be asserted against the Issuer if this would give rise to a binding reason for the Issuer to open insolvency proceedings, i.e. insolvency or overindebtedness, or if such a reason for insolvency already exists at that time. This means that the claims arising from the subordinated notes are already no longer enforceable if the Issuer is insolvent or overindebted at the time of the request for payment or threatens to become so as a result of the payment. The investor's claims would then be permanently blocked from being enforced unless and until the Issuer's financial crisis is resolved.</p>
(9)	What will investors get back when the Notes will be redeem?	<p>Subject to certain events stipulated in the relevant Final Terms, the investor will, at the end of the life of the Notes, will receive a redemption payment in an amount set out in, and determined by, the Final Terms.</p>

(10)	What is the difference between Notes with a stated maturity and Notes providing for a redemption extension feature?	In general, but subject to certain status related circumstances as described above under nos. [blob], the Notes will be redeemed at their stated maturity. As an exception and according to the relevant Notes Conditions, the Notes are extendible at the option of the Issuer on the "initial" maturity date (and on any subsequent "extended" maturity date thereafter) on which the Notes are outstanding, to the next following "extended" maturity date or "final" maturity date. This means that the Notes will be redeemed later than the "initial" maturity date. However, the Notes bear distributions until their stated "final" maturity date. Thus, the Notes are not perpetual.
(11)	What is the difference between the Issuer's Call Option and a Make-whole Call Option?	To the extent applicable, the Issuer may redeem the Notes early (subject to prior termination). In this case, the so-called call dates as well as the respective call amount, the amount at which the Notes shall be redeemed (to the extent applicable including accrued interest), are predefined in the Notes Conditions. In contrast to this, and in case the Issuer exercises the make-whole call option, the early redemption amount to be paid by the Issuer depends on the arithmetically calculated price difference of the present value of the principal amount of the relevant Note and the remaining scheduled distribution payments on such Note (discounted with the benchmark yield (yield of a certain German Government bond ( <i>Bundesanleihe</i> )) plus 0.5 percentage points) over the principal amount of such Note. In fact, the redemption amount depends not only on the present value of the principal amount of the relevant Note but also on such present amount of a different instrument referenced for purposes of the redemption price calculation.
(12)	Are there any circumstances in which interest or redemption payments may be postponed or reduced?	No, redemption payments may not be postponed or reduced. The Notes Conditions do not provide for a mechanism (other than, if applicable, the pre-insolvency enforcement block described below under question " <i>Are there any circumstances in which principal will not be repaid?</i> ").

(13)	Are investors entitled to receive any payments during the life of the Notes?	Yes, investors are entitled to receive the payments specified in the applicable Notes Conditions, including, as applicable, interest payments and repayment of principal or other redemption amounts.
(14)	Are there any circumstances in which principal and interest will not be repaid/paid?	Yes, a payment maybe postponed in case a pre-insolvency enforcement block applies to the period before the opening of possible insolvency proceedings over the assets of the Issuer. As a consequence, the investor may already not demand fulfilment of existing claims arising from the Notes if the Issuer is overindebted or insolvent or threatens to become so at the time of the Noteholder's demand for payment. Thus, the pre-insolvency enforcement block can lead to a permanent, indefinite non-performance of the Noteholder's claims. Besides that, payments under the Notes Conditions are always subject to the fact that the Issuer has enough funds available.
(15)	Are there any circumstances in which interest may cease to accrue or be suspended or will not be paid?	No, besides the explanatory remarks under question " <i>Are there any circumstances in which principal will not be repaid?</i> " interest may not cease to accrue or be suspended or will not be paid.
(16)	What happens if the Issuer defaults under its obligations?	The Notes Conditions provide for several scenarios according to which the Issuer "is in default". As a consequence, the Notes will be redeemed early. In this case, Noteholders will receive an early redemption payment in an amount set out in, and determined by, the Final Terms.
(17)	What does it mean when the Issuer exchanges itself for another obligor/debtor?	A substitution of an issuer is the replacement of the Issuer by a different legal entity as obligor of the Notes (including for payment of interest and repayment of principal) which are the subject of the substitution. This means that the Noteholders – as of the effective date of such substitution – assume (or have to assume) the creditworthiness and the ability of the "substitute issuer" by way of a legal mechanism which may be enabled by the solely the Issuer (subject to certain requirements according to the Notes Conditions).

## Participation Certificates

(1)	How do Participation Certificates differ from Notes?	<p>Participation Certificates under this Base Prospectus comprise two structurally distinct categories: debt-style Participation Certificates and Equity Participation Instruments.</p> <p>Debt-style Participation Certificates are subordinated debt instruments which may provide for distributions and a repayment claim, subject to the applicable loss participation mechanics.</p> <p>Equity Participation Instruments are perpetual, equity-like participation instruments. They do not provide fixed interest, no fixed maturity and no unconditional repayment claim in the nominal amount. Instead, they provide for variable distributions, if any, by reference to the Participation Pool and, upon an issuer call, for a Settlement Amount linked to the Net Equity Value of the Issuer.</p> <p>Accordingly, Equity Participation Instruments are economically closer to non-voting profit-participating equity instruments than to conventional Notes.</p>
(2)	What are the general differences between Participation Certificates issued under the relevant Option (according to the Participation Certificates Conditions)?	<p>Participation Certificates may be issued in bearer form or in registered form. Equity Participation Instruments are issued in bearer form only. This may affect the process of transferability and the available means of disposal. For a more detailed description of bearer and registered securities, please refer to the section relating to Notes.</p>
(3)	Which status has been assigned to the Participation Certificates?	<p>The Participation Certificates under this Base Prospectus, including Equity Participation Instruments, rank below other, more senior notes (or other debt instruments or loans) with respect to claims on assets or earnings. The Participation Certificates and Equity Participation Instruments are, in each case of issuance, subordinated obligations. In the case the Issuer defaults, investors who own subordinated debt will not be paid out until after senior creditors are paid in full.</p>

		In addition, a (qualified) subordination clause as well as a pre-enforcement block may apply (please refer to "Notes" (nos. (7) and (8))).
(4)	Are investors entitled to receive any payments during the life of the Participation Certificates?	<p>Depending on the relevant type of Participation Certificates and Equity Participation Instruments, investors may be entitled to different forms of payments.</p> <p>Holders of debt-style Participation Certificates may, subject to the applicable terms and conditions, receive distributions and redemption payments.</p> <p>Holders of Equity Participation Instruments may receive variable annual distributions, if any, by reference to the Participation Pool. In addition, they may receive a Settlement Amount if and when the Issuer exercises its call right. No fixed interest and no unconditional principal repayment claim exists.</p>
(5)	Are there any circumstances in which the Participation Certificates and Equity Participation Instruments provide for conditional distribution payments?	<p>Yes.</p> <p>Debt-style Participation Certificates may provide for distributions that are conditional upon the absence of accumulated losses or other limitations set out in the applicable terms and conditions.</p> <p>Equity Participation Instruments provide only for variable annual distributions, if any, by reference to the Participation Pool and the financial performance of the Issuer. Such distributions are not fixed, are not guaranteed and may be zero in any given financial year.</p>
(6)	Are there any circumstances in which principal will not be repaid?	<p>Yes.</p> <p>In the case of debt-style Participation Certificates, the repayment amount may be reduced or may not be paid in full if the Issuer has incurred losses and the applicable loss participation mechanics apply.</p> <p>In the case of Equity Participation Instruments, no unconditional principal repayment claim exists at all. Upon an issuer call, holders receive only the Settlement Amount determined in accordance with the applicable terms and</p>

		conditions. Such Settlement Amount may be below the nominal amount or equal to zero.
(7)	What happens if the Issuer defaults under its obligations?	<p>Depending on the relevant terms and conditions, debt-style Participation Certificates may provide for events of default which may lead to early redemption.</p> <p>Equity Participation Instruments are perpetual, subordinated instruments with issuer-call mechanics. In the event of a deterioration of the Issuer's financial position or an insolvency scenario, investors may lose all or a substantial part of their investment. No fixed maturity payment or unconditional principal repayment claim exists.</p>
(8)	What does it mean when the Issuer exchanges itself for another obligor/debtor?	A substitution of the Issuer is the replacement of the Issuer by another legal entity as obligor under the Participation Certificates. Depending on the relevant type of Participation Certificates, this may affect obligations relating to distributions, redemption amounts and/or Settlement Amounts. For a general description of the legal consequences of such a substitution, please refer to the corresponding explanation in the section relating to Notes.

## ISSUE PROCEDURES

### *General*

The Issuer (and, if applicable, the relevant Distribution Agent(s)) will determine the terms and conditions applicable to each particular tranche of Instruments (the **Issuance Conditions**).

The Issuance Conditions will be constituted by (i) the relevant set of terms and conditions for the respective Instruments (so-called Option as defined and set out below) in connection with (ii) the (additional) information as specified by, and completed in, Part II of the Final Terms (by using the form "*Form of Final Terms*").

### *Options for sets of Terms and Conditions of Instruments*

A separate set of terms and conditions applies to each type of Instruments (each an **Option**), as set forth below.

The Issuer may choose among the following Options for Notes:

- Option I – Terms and Conditions for Senior German Fixed Rate Bearer Notes;
- Option II – Terms and Conditions for Subordinated German Fixed Rate Bearer Notes;
- Option III – Terms and Conditions for Senior Luxembourg Fixed Rate Bearer Notes;
- Option IV – Terms and Conditions for Subordinated Luxembourg Fixed Rate Bearer Notes;
- Option V – Terms and Conditions for Senior Luxembourg Fixed Rate Registered Notes;
- Option VI – Terms and Conditions for Subordinated Luxembourg Fixed Rate Registered Notes;
- Option VII – Terms and Conditions for Senior Maltese Fixed Rate Registered Notes; and
- Option VIII – Terms and Conditions for Subordinated Maltese Fixed Rate Registered Notes

The Issuer may choose among the following Options for Participation Certificates and Equity Participation Instruments:

- Option I – Terms and Conditions for Participation Certificates in bearer form; and
- Option II – Terms and Conditions for Participation Certificates in registered form
- Option III – Terms and Conditions of the Equity Participation Instruments in Bearer form

### *Documentation of the Issuance Conditions*

The Issuer documents the Issuance Conditions of an individual issue of Instruments in the following way:

In Part I of the Final Terms, the Issuer shall determine which of Option (i.e. Option I to Option VIII relating to Notes and Option I and Option II to relating to Participation Certificates and Option III a relating to Equity Participation Instruments) shall be applicable to the individual issue of Instruments by replicating the relevant provisions and completing the relevant placeholders of the relevant Option.

In Part II of the Final Terms, additional information not contained in the relevant Option I to Option VIII relating to Notes and Option I and Option II to relating to Participation Certificates and Option III a relating to Equity Participation Instruments but necessary for each issuance under this Base Prospectus shall be determined by the Issuer. In both cases, all instructions, explanatory notes set out in square brackets and any footnotes in Part I (terms and conditions of each Option) and Part II (additional information regarding the Instrument and the issuance in general) in the Final Terms shall be deleted prior to finalisation of the Final Terms.

## TERMS AND CONDITIONS OF THE NOTES

### I. OPTION I – TERMS AND CONDITIONS OF THE SENIOR GERMAN FIXED RATE BEARER NOTES

The following is the text of the terms and conditions applicable to the senior German fixed rate bearer notes. [The final terms and conditions of the senior German fixed rate bearer notes will be an integral part of the respective global note.]

[The final terms and conditions of the senior German fixed rate bearer notes, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Notes" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The senior German fixed rate bearer notes are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### § 1 Issuer, Aggregate Principal Amount, Principle Amount, Form, Certification and Transferability

(a) Issuer, Currency, Aggregate Principal Amount and Principal Amount.

This bond of Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the "**Issuer**") in the aggregate principal amount of [up to] [EUR][SEK][*insert other currency code*] [*insert aggregate principal amount*] (in words: [Euro][*insert other currency*] [*insert aggregate principal amount*]) (the "**Aggregate Principal Amount**"), is divided into partial notes ranking pari passu among themselves (each a "**Note**" and together, the "**Notes**") in the principal amount of [EUR][SEK][*insert other currency code*] [1,000.00][*insert other principal amount greater than 1,000.00 in other currencies*] each (in words: [Euro][*insert other currency*] [one thousand][*insert other principal amount*]).

(b) Form.

The Notes are being issued in bearer form.

(c) Certification.

The Notes are represented for the entire term as follows:

*[In case of Tefra D insert:*

The Notes will initially be represented for the whole term of the Notes by a temporary global bearer note (the "**Temporary Global Note**") without interest coupons, which will be exchanged not earlier than 40 days and not later than 180 days after the Issue Date (as defined in § [4][●](a)) against a permanent global bearer note (the "**Permanent Global Note**", the Temporary Global Note and the Permanent Global Note together the "**Global Note**") without interest coupons. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) in accordance with the rules and operating procedures of [*in case of Europe AG insert: Clearstream Europe AG, business address: Mergenthalerallee 61, 65760 Eschborn*][*in case of another Central Securities Depository insert: [●]*], or any successor in such capacity (the "**Clearing System**"). Payments of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A

separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this paragraph. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

The Temporary Global Note and the Permanent Global Note shall only be valid if it bears the handwritten signature of a representative of the Issuer [(whose signature may qualify as facsimile signature pursuant to section 793 para. (2) of the German Civil Code)] [and shall each be authenticated by or on behalf of the Paying Agent (as defined in § [11][●](a))]. The Temporary Global Note and the Permanent Global Note will be deposited with the Clearing System. The right to require the issue of definitive Notes or interest coupons has been excluded.]

*[in case without Tefra D insert:*

The Notes will be represented for the whole life of the Notes by a permanent global bearer Note (the "**Permanent Global Note**" respectively the "**Global Note**"). The Permanent Global Note will be kept in custody by [*in case of Europe insert:* Clearstream Europe AG, Mergenthaler Allee 61, 65760 Eschborn, Federal Republic of Germany][*in case of another Central Securities Depository insert:* [●]], or any successor in such capacity (the "**Clearing System**").

The Permanent Global Note shall only be valid if it bears the handwritten signature of a representative of the Issuer [(whose signature may qualify as facsimile signature pursuant to section 793 para. (2) of the German Civil Code)] [and shall each be authenticated by or on behalf of the Paying Agent (as defined in § [11][●](a))]. The Permanent Global Note will be deposited with the Clearing System. The right to require the issue of definitive Notes or interest coupons has been excluded.]

(d) Transferability.

The holders of the Notes (the "**Noteholders**") will receive co-ownership participations in the Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

## **§ 2 Status of the Notes [and Negative Pledge]**

[(a)] Status.

The Notes constitute direct, unconditional, unsubordinated and [un]secured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and [un]secured obligations of the Issuer [of the same ranking], present and future save for certain mandatory exceptions provided by law. [Unless expressly otherwise specified in the relevant Final Terms, the Notes are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the Notes.]

[(b)] Negative pledge.

The Issuer undertakes [and undertakes to procure that all of its Subsidiaries], so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent [(as defined in § [11][●](a))], not to create or permit to subsist any mortgage, lien, pledge, charge or other security interest (each such right a "**Security**") over the whole or any part of its undertakings, assets or revenues, present or future, to secure any Capital

Market Indebtedness or to secure any guarantee or indemnity given by the Issuer [or any of its Subsidiaries] in respect of any Capital Market Indebtedness of any other person, without, at the same time or prior thereto, securing all amounts payable under the Notes either with equal and rateable Security or providing all amounts payable under the Notes such other Security as shall be approved by an independent accounting firm of internationally recognized standing as being equivalent security.

[This undertaking shall not apply with respect to:

(i) any Security which is provided for by law or which has been required as a condition precedent for public permissions;

(ii) any Security existing on assets at the time of the acquisition thereof by the Issuer, provided that such Security was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security is not increased subsequently to the acquisition of the relevant assets[;][.]

[(iii) any Security which is provided by any Subsidiary of the Issuer with respect to any receivables of such Subsidiary against the Issuer which receivables exist as a result of the transfer of the proceeds from the sale by the subsidiary of any Capital Market Indebtedness, provided that any such Security serves to secure obligations under such Capital Market Indebtedness of the relevant Subsidiary.]

[For the purposes of these Terms and Conditions, "**Capital Market Indebtedness**" shall mean any present or future obligation for the repayment of borrowed monies which is in the form of, or represented or evidenced by bonds, notes, debentures, loan stock or other securities which are, or are capable of being, quoted, listed, dealt in or traded on any stock exchange, or other recognized over-the-counter or securities market.]

["**Subsidiary**" for purposes of [these Terms and Conditions][this § 2(b)] means any fully consolidated subsidiary of the Issuer.]

[A Security pursuant to this § 2(b) may also be provided to a trustee of the noteholders.]]]

### [§ 3 Financial Covenants

[[a)] Equity Capital Ratio.

The Issuer ensures that itself maintains an Equity Capital Ratio of at least [twenty-five][*insert other percentage rate*] [(25)][*insert other percentage rate*] percent. [The Equity Capital Ratio shall be calculated in accordance with [local GAAP] [or] [EU-IFRS] [or] [IFRS] [at the Issuer's option].]

Whereby:

"**Equity Capital Ratio**" means the balance sheet equity divided by the balance sheet total, whereby all figures are to be determined from the last audited annual financial statements of the Issuer [and the Issuer is entitled, for the purpose of calculating the equity capital ratio, to continue the accounting methods used at the time of the issue – eventually also deviating from the audited [annual] [or] [semi-annual] financial statements].

"**Reporting Date**" means the 31 December 20[●] [and each further 31 December] [of each calendar year until the Redemption Date].]

[[b)][●] Liquidity Reserve.

The Issuer undertakes to ensure that its Subsidiaries, if necessary and if they generate profits, have distributable liquidity and distribute at least sufficient funds to the Issuer that the Issuer is always in a

position to meet its obligations under these Terms and Conditions.

["**Subsidiary**" for purposes of [these Terms and Conditions][this § [4(b)][●]] means any fully consolidated subsidiary of the Issuer.]]

[[c)][●] Information Obligation.

The Issuer undertakes to provide the Noteholders in the form of § [14][●] or by publication on its website (<https://timberlandsecuritiesinvestmentplc.com> [*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof] with:

[(i)] the audited annual financial statements as at [*insert date*] as available but not later than [9][*insert other number of months*] months after the end of the financial year [*insert fiscal year*] and the audited annual financial statements for subsequent financial years as available but not later than [9][*insert other number of months*] months after the end of each financial year (each an "**Annual Financial Statement Publication Date**")]; and[.]

[[ii)] as soon as available, but not later than [6][*insert other number of months*] months after the end of each half fiscal year (the "**Semi-Annual Financial Statement Publication Date**" and together with the Annual Financial Statement Publication Date, the "**Publication Date**"), the relevant unaudited semi annual financial statement.]]

[[d)][●] Listing.

The Issuer will ensure that the Notes are listed on [*insert relevant markets and stock exchanges or trading venues*] on [*insert date*] (the "**Listing Date**") at the latest and will maintain such listing until final maturity of the Notes, but at the latest until all Notes have been redeemed or repurchased.]]

## § [4][●] Interest

[(a)] Interest and interest rate.

[*in case of Notes to be issued with a constant coupon insert:* The Notes will bear interest on their principal amount at a rate of [*insert interest rate*] % per annum (the "**Interest Rate**") as from [*insert issue date*] (the "**Issue Date**"). Interest is payable in arrears on [*insert interest payment date(s)*] of each year (each an "**Interest Payment Date**" and the period from the Issue Date (inclusive) up to the first Interest Payment Date (exclusive) and thereafter as from any Interest Payment Date (inclusive) up to the next following Interest Payment Date (exclusive) being an "**Interest Period**"). The first interest payment will be due on [*insert first interest payment date*] [(short first coupon)][(long first coupon)], the Interest Payment Date immediately preceding the Maturity Date is [*insert interest payment date preceding the Maturity Date*] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also an Interest Payment Date.]

The Notes shall cease to bear interest from the beginning of the day they are due for redemption, or, in case the Issuer fails to make any payment under the Notes when due, from the beginning of the day on which such payment is made. [In such case interest shall continue to accrue on the outstanding principal amount of the Notes beyond the Redemption Date (as defined in § [5][●][(a))] (including) until the date of the actual redemption of the Notes (excluding) at the default rate of interest established by law<sup>2</sup>.][In such case, the Interest Rate shall be increased by [5][*insert percentage point(s)*] percentage point[s] per annum.]

[Where interest is to be calculated in respect of a period which is shorter or longer than an Interest Period the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from and including the most recent Interest Payment Date) divided by the actual number of days of the Interest Period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).]

[in case the Notes are issued with an increasing coupon insert: The Notes shall bear interest on their principal amount at the relevant interest rate as set out in the table below (the "**Relevant Interest Rate**"). Interest shall be scheduled to be paid for each interest period (each such period, an "**Interest Period**") on an interest payment date (each such date, an "**Interest Payment Date**", commencing on [insert date] (the "**Issue Date**").

Interest Period[s] from (and excluding) to (but excluding)		Interest Payment Date[s]	Relevant Interest Rate[s]
[specified dates]	[specified dates]	[specified dates]	[specified interest rates]
[●]	[●]	[●]	[●]

The Notes shall cease to bear interest from the beginning of the day they are due for redemption, or, in case the Issuer fails to make any payment under the Notes when due, from the beginning of the day on which such payment is made. In such case, the Relevant Interest Rate shall be increased by [5][insert percentage point(s)] percentage point[s] per annum.

[Where interest is to be calculated in respect of a period which is shorter or longer than an Interest Period the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from and including the most recent Interest Payment Date) divided by the actual number of days of the Interest Period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).]

[(b) Interest rate increase.

The Issuer undertakes, in the event that Issuer notifies by way of a Disclosure Notification that

[- the Equity Capital Ratio (determined in accordance with § 3[(a)]) as of the relevant Reporting Date is below the ratio as set out in § 3[(a)][,]; or]

[- the information obligation in accordance with § 3[(c)][●] has not been fulfilled in time at the relevant [Annual Financial Statement Publication Date][Publication Date][,]; or]

[- the obligation in accordance with § 3[(d)][●] relating to the listing has not been fulfilled on the Listing Date at the latest,]

to pay an Increased Interest Rate (per annum) on the Notes during the Relevant Interest Period. The Issuer undertakes to publish any Disclosure Notification at least [20][insert other number of days] days prior to each Interest Payment Date on the Issuer's website <https://timberlandsecuritiesinvestmentplc.com> [insert any other website] [or] [insert other website] [or any successor website [in each case] thereof.

[With respect to § 3[(a)] a shortfall in the Equity Capital Ratio is deemed to have occurred if the reduction in the Equity Capital Ratio was determined on the basis of the relevant adopted annual financial statements.]

Whereby:

"**Increased Interest Rate**" means an interest rate (per annum) to be applied on the Notes and which reflects the sum of the [Relevant] Interest Rate and [0.5][insert percentage points] percentage points.

**"Relevant Interest Period"** means the interest period from the first day of this interest period (inclusive) to the last day of this interest period (exclusive) which follows the Interest Period in which a Disclosure Notification has been published.

**"Disclosure Notification"** means a notification in accordance with § [14][●] regarding [the shortfall of the Equity Capital Ratio in accordance with § 3[(a)] as per the each recent Reporting Date] [and] [the breach of the information obligation in accordance with § 3[(c)][●]] [and] [the breach of the listing obligation in accordance with § 3[(d)][●]] [and [●]].]

**§ [5][●] Maturity, Redemption [, Early Redemption for Tax Reasons] [, Early Redemption at the Option of the Issuer] [, Early Redemption at the Option of the Noteholders] [, Make-whole Call Option] [and Repurchase] [and Cancellation]**

[(a)] Maturity and redemption.

The Notes will be redeemed at the redemption amount (the **"Redemption Amount"**) on [*insert redemption date*] (the **"Redemption Date"**). The Redemption Amount in respect of each Note shall be [[●] % of] the principal amount [[plus][minus] [Euro][*insert other currency*] [*insert amount*]]. [Subject to the provisions of § [8][●], there will be no early redemption [except in the following cases].]

[(b)] Early redemption for tax reasons.

If at any future time as a result of a change of the laws applicable in the Republic of Malta or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due in respect of principal or interest will be required, to pay Additional Amounts (as defined in § [7][●](a)), and such obligation cannot be avoided taking reasonable measures available to the Issuer, the Issuer will be entitled, upon not less than [30][*insert other number of days*] days' and not more than [60][*insert other number of days*] days' notice to be given by publication in accordance with § [14][●], to redeem all Notes at the Early Redemption Amount plus accrued and unpaid interest to (but excluding) the Early Redemption Date interest.

No notice of redemption pursuant to this § [5][●](b) shall be given (i) earlier than [90][*insert other number of days*] days prior to the earliest date on which the Issuer would be obligated to pay Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be irrevocable and must specify the Early Redemption Date and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**"Early Redemption Amount"** for purposes of [these Terms and Conditions][this § [5][●](b)] means [[●] % of] the principal amount [[plus][minus] [Euro][*insert other currency*] [*insert amount*]].

**"Early Redemption Date"** means the date specified in the redemption notice issued in accordance with § [14][●] as the relevant date for redemption.]

[(c)][●] Early redemption at the option of the Issuer (Issuer's Call).

The Issuer shall be entitled, by giving not less than [10][*insert other number of days*] nor more than [30][*insert other number of days*] days' notice by publication in accordance with § [14][●], to redeem outstanding Notes, in whole, no earlier than the [relevant] Call Early Redemption Dates at the [relevant] Call Early Redemption Amount plus accrued and unpaid interest. [For the purpose of the calculation of accrued interest, if any, the respective Call Early Redemption Date shall not be counted.]

Call Early Redemption Dates[s]	Call Early Redemption Amount
--------------------------------	------------------------------

[specified dates]	[specified amount]
[specified dates]	[specified amount]

The early redemption of the Notes pursuant to § [5(c)][●] shall be declared to the Noteholders by publication in accordance with § [14][●]. Such notice of termination shall mandatorily specify the following details: (i) the Call Early Redemption Date and (ii) the Call Early Redemption Amount at which the Notes are to be redeemed. The Call Early Redemption Date must be a Business Day within the meaning of § [6][●](c). Such notice shall be irrevocable. In respect of the Notes which are subject to redemption the entitlement to interest shall end with the day immediately preceding the Call Early Redemption Date.

[The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under § [5(d)][●].]

[[d)][●] Early redemption at the option of the Noteholders upon a change of control.

If a Change of Control occurs, each Noteholder shall have the right to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase by a third party of) in whole or in part his Notes at the Put Early Redemption Amount (the "**Put Option**"). An exercise of the Put Option shall, however, only become valid if during the Put Period Noteholders of Notes with an aggregate principal amount of at least [90][*insert other percentage rate*] % of the Aggregate Principal Amount of the Notes then outstanding have exercised the Put Option.

"**Change of Control**" means the occurrence of any of the following events:

(i) the Issuer becomes aware that any Third Person or group of Third Persons acting in concert within the meaning of section 2 para. (5) of the German Securities Acquisition and Takeover Act (each an "**Acquirer**") has become the legal owner of more than 50 % of the voting rights of the Issuer; or

(ii) the merger of the Issuer with or into a Third Person or the merger of a Third Person with or into the Issuer, or the sale of all or substantially all of the assets [(determined on a consolidated basis)] of the Issuer to a Third Person, other than in a transaction following which (A) in the case of a merger holders that represented 100 % of the voting rights of the Issuer own directly or indirectly at least a majority of the voting rights of the surviving person immediately after such merger and (B) in the case of a sale of all or substantially all of the assets, each transferee becomes a guarantor in respect of the Notes and is or becomes a Subsidiary of the Issuer.

[It shall not be qualified as a Change of Control, however, if following the admission of the Issuer's shares to trading on [the regulated market] [or] [a MTF-market] [or] [an OTF-market] of a German stock exchange or an equivalent market segment of a foreign stock exchange less than 50 % of the voting rights of the Issuer are owned by a holding company of the Issuer. It shall also not be qualified as a Change of Control, if shares of the Issuer or any other participating interest will be transferred by testamentary or hereditary succession.]

If a Change of Control occurs, then the Issuer shall, without undue delay, after becoming aware thereof, give notice of the Change of Control (a "**Put Event Notice**") to the Noteholders in accordance with § [14][●] specifying the nature of the Change of Control and the procedure for exercising the Put Option contained in this § [5][●](d).

The exercise of the Put Option pursuant to § [5(d)][●] must be declared by the Noteholder within [30][*insert other number of days*] days after a Put Event Notice has been published (the "**Put Period**") to the Depository Bank (as defined in § [16][●](d)) of such Noteholder in writing (the "**Put Notice**"). The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date [seven][*insert other number of days*] days after the expiration of the Put Period (the "**Put**

**Redemption Date**") unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made through the Issuer. A Put Notice, once given, shall be irrevocable.]

**"Put Early Redemption Amount"** means [[●] % of] the principal amount [[plus][minus] [Euro][insert other currency] [insert amount]].

**"Third Person"** means any person other than the Issuer.]

**"Subsidiary"** for purposes of this § [5][●](d) means any fully consolidated subsidiary of the Issuer.]

[[e)][●] Make-whole Call Option.

(aa) The Issuer may at any time, upon notice given in accordance with the third subparagraph (cc), redeem the Notes in whole, but not in part, on the date specified in the notice (the **"Make-whole Call Redemption Notice"**) mentioned in sub-paragraph (cc) (the **"Make-whole Call Redemption Date"**) and at the applicable redemption amount (the **"Make-whole Call Redemption Amount"**).

(bb) The Make-whole Call Redemption Amount of a Note shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant Note to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(cc) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [30][insert other number of days] Business Days nor more than [30][insert other number of days] Business Days after the calendar day on which notice is given by the Issuer to the Noteholders.

(dd) The Issuer shall, not less than [15][insert other number of days] calendar days before the giving of the notice referred to above, notify the Paying Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Business Day immediately following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Paying Agent, and the Noteholders of the Make-whole Redemption Amount. All Notes in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this § [5][●](e).

[The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under § [5(d)][●].]

**"Applicable Premium"** means the excess, if any, of

(i) the present value on such Make-whole Call Redemption Date of

(A) the Principal Amount of the relevant Note, plus

(B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Date

discounted with the Benchmark Yield plus 0.5 percentage points over

(ii) the Principal Amount of such Note on the Make-whole Call Redemption Date.

**"Benchmark Yield"** means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption Calculation Date (or if such financial statistics are not so published or available, as apparent from any

publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.

"**Make-whole Call Calculation Agent**" means the [Timberland Securities Investment plc][●].

"**Make-whole Call Redemption Calculation Date**" means the [sixth][●] Business Day prior to the Make-whole Call Redemption Date.]

[[f)][●] Repurchase.

The Issuer may at any time purchase Notes in the market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.]

[[g)][●] Cancellation.

All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.]

## § [6][●] Payments and Deposit

(a) Payments.

The Issuer undertakes to pay, as and when due, principal and interest on the Notes in [Euros][*insert other currency*]. Payment of principal and interest on the Notes shall be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Payments to the Clearing System or to its order shall to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § [7][●](a).

If any payment of principal or interest (as well as any amounts payable on the Notes) is to be effected on a day other than a Business Day, payment will be effected on the next following Business Day. In this case, the relevant Noteholders will neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Redemption Amount [and the Early Redemption Amount] [and the Call Early Redemption Amount] [and the Put Early Redemption Amount] [and the Make-whole Early Redemption Amount] and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § [7][●](a).

"**Business Day**" for purposes of these Terms and Conditions means a day (other than a Saturday or Sunday) on which (i) the real time gross settlement system operated by the Eurosystem (T2) and (ii) the Clearing System are operating and settle payments.

(b) Deposits.

The Issuer may deposit with the local court in Duisburg principal and interest (as well as any amounts payable on the Notes) not claimed by Noteholders within twelve months after the relevant due date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the relevant claims of such Noteholders against the Issuer shall cease.

§ [7][●] Taxes

(a) General taxation.

All amounts payable under the Notes will be paid without deduction or withholding for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding at source by or on behalf of the Republic of Malta or by or on behalf of any political subdivision or authority thereof or therein having power to tax, unless such deduction or withholding is required by law.

In such event the Issuer will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts after such deduction or withholding will equal the amounts that would have been payable if no such deduction or withholding had been made.

No Additional Amounts will be payable pursuant to § [7][●] with respect to taxes, duties or government charges which

(i) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(ii) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Republic of Malta or another member state of the European Union and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Republic of Malta;

(iii) are deducted or withheld pursuant to (A) any European Union Directive or Regulation concerning the taxation of interest income, or (B) any international treaty or understanding relating to such taxation and to which the Republic of Malta or the European Union is a party, or (C) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(iv) are payable by reason of a change in law that becomes effective more than [30][*insert other number of days*] days after the relevant payment of principal or interest becomes due, or, if this occurs later, after all due amounts have been duly provided for and a publication to that effect has been published in accordance with § [14][●].

(b) Obligation to notify.

The Issuer undertakes to immediately notify the Paying Agent if it is at any time required by law to make deductions or withholdings (or if the rates or methods of calculating such deductions or withholdings change) from payments due under these Terms and Conditions.

§ [8][●] Events of Default

(a) Exclusion of the ordinary right to call.

The Noteholder's right to call is excluded.

(b) Extraordinary termination.

Each Noteholder will be entitled to declare his Notes due and demand immediate redemption of its Notes at the Early Redemption Amount plus accrued interest, if

[[ (i) ] the Issuer fails to provide principal or interest within [7][*insert other number of days*] days from the relevant due date[;][.]]

[[ (ii) ] [●] the Issuer fails to duly perform any other material obligation arising from the Notes and such default, except where such default is incapable of remedy, continues unremedied for more than [30][*insert other number of days*] days after the Issuer has received notice thereof from a Noteholder[;][.]]

[[ (iii) ] [●] the Issuer [or a Material Subsidiary] states in writing that it is unable to pay its debts as they become due (*Cessation of payment*)[;][.]]

[[ (iv) ] [●] the Issuer [or a Material Subsidiary] fails to fulfil any payment obligation in excess of a total amount of [EUR][SEK][*insert other currency code*] [*insert amount*] (in words: [*insert amount*] [Euros][*insert other currency*]) under any Financial Indebtedness, or under any guaranty or suretyship for any such indebtedness of a third party, when due (including in case of any possible acceleration) and within [30][*insert other number of days*] days after being invoked (*Cross Default*)[;][.]]

[[ (v) ] [●] (A) the Issuer's [or a Material Subsidiary's] assets have been subjected to an insolvency proceeding, or (B) the Issuer [or a Material Subsidiary] applies for or institutes such proceedings or (C) a third party applies for insolvency proceedings against the Issuer [or a Material Subsidiary] and such proceedings are not discharged or stayed within [30][*insert other number of days*] days, unless such proceeding is dismissed due to insufficient assets[;][.]]

[[ (vi) ] [●] the Issuer ceases its business operations in whole or sells or transfers its assets in whole or a material part thereof to a third party (except for the Issuer [and any of its Subsidiaries]) and this causes a substantial reduction of the value of the assets of the Issuer [(on a consolidated basis)]. In the event of a sale of assets such a substantial reduction shall be assumed if the value of the assets sold exceeds [50 %][*insert other percentage rate*] of the [consolidated] total assets and liabilities of the Issuer[;][.]]

[[ (vii) ] [●] the Issuer [or a Material Subsidiary] goes into liquidation, unless this is effected in connection with a merger or another form of amalgamation with another company or in connection with a restructuring, and the other or the new company effectively assumes substantially all of the assets and liabilities of the Issuer [or the Material Subsidiary], including all obligations of the Issuer arising in connection with the Notes[;][.]]

[[ (viii) ] [●] the Issuer makes a "**Prohibited Disbursement**" to its shareholders in a financial year that amount to more than [50 % of the Issuer's net income (after deduction of any third party interests in the net income)][●], which is generated in the preceding financial year, beginning with the net income for the financial year [20[●]][*insert other financial year*]. Exceptions to this are statutory based payment claims or payment claims in connection with the Issuer's articles of association.]

["**Early Redemption Amount**" for purposes of this § [8][●](b) means [[●] % of] the principal amount [[plus][minus] [Euro][*insert other currency*] [*insert amount*]].]

["**Material Subsidiary**" means a Subsidiary of the Issuer (i) whose revenues exceed [10][*insert other percentage rate*] % of the consolidated revenues of the Issuer or (ii) whose total assets and liabilities exceed [10][*insert other percentage rate*] % of the consolidated total assets and liabilities of the Issuer, where each threshold shall be calculated on the basis of the last audited or, in case of half yearly

accounts, unaudited consolidated financial statements of the Issuer in accordance with [local GAAP] [or] [EU-IFRS] [or] [the International Financial Reporting Standards (IFRS)] and in the last audited (if available) or (if unavailable) unaudited unconsolidated financial statements of the relevant Subsidiary.]

["**Financial Indebtedness**" shall mean (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures or other similar instruments, (iii) the principal component of obligations in respect of letters of credit, bankers' acceptances and similar instruments, and (iv) capitalized lease obligations and attributable indebtedness related to sale/leaseback transactions and factoring agreements.]

(c) Exclusion of termination.

The right to declare the Notes due and demand immediate redemption shall cease if the reason for the termination has been rectified before the exercise of the termination right.

(d) Notification.

A notification or termination pursuant to § [8][●](a) has to be effected by the Noteholder in writing in the German or English language *vis-a-vis* the Issuer together with a special confirmation of the Depository Bank in accordance with § [16][●](d) hereof or in any other adequate manner evidencing that the notifying person is a Noteholder as per the notification, to be delivered personally or by mail to the Issuer. A notification or termination will become effective upon receipt thereof by the Issuer.

#### § [9][●] **Limitation on certain Payments**

The Issuer undertakes [not][, neither directly nor through any of its subsidiaries,] to pay out any dividend or to make any other distribution to a direct or indirect shareholder, which exceeds [50][*insert other percentage rate*] % of the result after taxation determined by [the consolidated and] audited Annual Report of the Issuer of the respective year, save for any legally bases payment claims or payment claims in connection with the Issuer's articles of association.]

#### § [10][●] **Presentation Period and Prescription**

Waiving the statutory provisions, the period for presentation of the Notes (in accordance with section 801 para. (1) sentence 1 of the German Commercial Code) will be ten years. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

#### § [11][●] **Paying Agent**

(a) Appointment.

[Quirin Privatbank AG, registered in the commercial register kept with the local court (*Amtsgericht*) Berlin-Charlottenburg, registration number HRB 87859 with business address at: Schillerstraße 20, 60313 Frankfurt am Main, Germany][●], (the "**Paying Agent**") will be the Principal Paying Agent. The Principal Agent in its capacity as Principal Paying Agent and any successor Principal Paying Agent are also referred to in these Terms and Conditions as "**Principal Paying Agent**". The Principal Paying Agent reserves the right at any time to change its specified offices to some other office in the same city.

(b) Change and Termination of Appointment.

The Issuer will procure that there will at all times be a Principal Paying Agent. The Issuer is entitled to appoint banks of international standing as Principal Paying Agent. Furthermore, the Issuer is entitled to terminate the appointment of the Principal Paying Agent. In the event of such termination or such bank being unable or unwilling to continue to act as Principal Paying Agent, the Issuer will appoint another bank of international standing as Principal Paying Agent. Such appointment or termination will be published without undue delay in accordance with § [14][●], or, should this not be possible, be

published by way of a public publication in another way.

(c) Status.

The Principal Paying Agent acting in such capacity, act only as agent of the Issuer. There is no agency or fiduciary relationship between the Principal Paying Agent and the Noteholders.

(d) Exemption from the restrictions of section 181 of the German Commercial Code.

The Principal Paying Agent is hereby granted exemption from the restrictions of section 181 of the German Commercial Code and any similar restrictions of the applicable laws of any other country.

#### **§ [12][●] Further Issuances of Notes**

The Issuer reserves the right to issue from time to time, without the consent of the Noteholders, additional notes with substantially identical terms as the Notes (as the case may be, except for the issue date, interest commencement date and/or issue price), in a manner that the same can be consolidated to form a single series of Notes and increase the aggregate principal amount of the Notes. The term "**Note**" will, in the event of such consolidation, also comprise such additionally issued Notes. The Issuer shall, however, not be limited in issuing additional notes, which are not consolidated with the Notes and which provide for different terms, as well as in issuing any other debt securities.

#### **§ [13][●] Amendments to the Terms and Conditions by resolution of the Noteholders and Common Representative**

(a) Amendments to the Terms and Conditions.

The Issuer may amend the Terms and Conditions with consent by a majority resolution of the Noteholders pursuant to section 5 et seq. of the German Act on Issues of Debt Securities, as amended from time to time. In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 (3) of the German Act on Issues of Debt Securities, by resolutions passed by such majority of the votes of the Noteholders as stated under § [13][●](b) below. A duly passed majority resolution shall be binding upon all Noteholders. Resolutions which do not provide for identical conditions for all Noteholders are void, unless Noteholders who are disadvantaged have expressly consented to their being treated disadvantageously.

(b) Qualified Majority.

Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 (3) numbers 1 through 9 of the German Act on Issues of Debt Securities, may only be passed by a majority of at least 75 % of the voting rights participating in the vote (a "**Qualified Majority**").

(c) Passing of resolutions.

Resolutions of the Noteholders shall be made either in a Noteholder's meeting in accordance with § [13][●](c)(i) or by means of a vote without a meeting in accordance § [13][●](c)(ii).

(i) Resolutions of the Noteholders in a Noteholder's meeting shall be made in accordance with section 9 et seq. of the German Act on Issues of Debt Securities. Noteholders holding Notes in the total amount of 5 % of the outstanding Aggregate Principal Amount of the Notes may request, in writing, to convene a Noteholders' meeting pursuant to section 9 of the German Act on Issues of Debt Securities. The

convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the Noteholders' meeting. The attendance at the Noteholders' meeting or the exercise of voting rights requires a registration of the Noteholders prior to the meeting. Any such registration must be received at the address stated in the convening notice by no later than the third calendar day preceding the Noteholders' meeting.

(ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting shall be made in accordance section 18 of the German Act on Issues of Debt Securities. Noteholders holding Notes in the total amount of 5 % of the outstanding Aggregate Principal Amount of the Notes may request, in writing, the holding of a vote without a meeting pursuant to section 9 in connection with section 18 of the German Act on Issues of Debt Securities. The request for voting as submitted by the chairman will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to Noteholders together with the request for voting.

(d) Voting right.

Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes. As long as the entitlement to the Notes lies with, or the Notes are held for the account of, the Issuer or any of its affiliates (section 271 para. (2) of the German Commercial Code), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.

(e) Proof of eligibility.

Noteholders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the Depository Bank in accordance with § [16][●](d) hereof and by submission of a blocking instruction by the Depository Bank for the benefit of the depository, as specified by the Issuer together with agenda for the vote and being different from the Paying Agent, for the voting period.

(f) Common Representative.

The Noteholders may by majority resolution appoint a common representative (the "**Common Representative**") in accordance with the of the German Act on Issues of Debt Securities to exercise the Noteholders' rights on behalf of all Noteholders:

(i) The Common Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders. The Common Representative shall comply with the instructions of the Noteholders. To the extent that the Common Representative has been authorized to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Common Representative shall provide reports to the Noteholders on its activities. The appointment of a Common Representative by a Qualified Majority is required if such Common Representative is to be authorised to consent to a material change in the substance of the Terms and Conditions as set out in § [13][●](b) hereof.

(ii) The Common Representative may be removed from office at any time by the Noteholders without specifying any reasons. The Common Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of a Common Representative, including reasonable remuneration of the Common Representative.

(iii) The Common Representative shall be liable for the performance of its duties towards the Noteholders who shall be joint and several creditors; in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Common Representative may be limited by a resolution passed by the Noteholders. The Noteholders shall decide upon the assertion of claims for compensation of the Noteholders against the Common Representative.

<(g) Notices.

Any notices concerning this § [13][●] shall be made in accordance with section 5 et seq. of the German Act on Issues of Debt Securities and § [14][●].

### § [14][●] Publications

(a) Provisions for Publications.

Publications relating to the Notes will be published on the Issuer's website <https://timberlandsecuritiesinvestmentplc.com> [*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof] and, to the extent mandatorily required, in the German Federal Gazette. A publication will be deemed to be made on the day of its publication (or in the case of more than one publication on the day of the first publication).

(b) Alternative means of communication.

The Issuer shall also be entitled to make publication to the Clearing System for communication by the Clearing System to the Noteholders or directly by way of a written notice to the Noteholders provided this complies with the rules of the stock exchange on which the Notes are listed. Publication vis-à-vis the Clearing System will be deemed to be effected [*seven*][*insert other number of days*] days after the publication to the Clearing System, direct publication of the Noteholders will be deemed to be effected upon their receipt.

### [§ [15][●] Substitution of the Issuer

(a) Substitution.

The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the "**Substitute Issuer**") as principle debtor under all Notes in respect of any and all obligations arising from and in connection with the Notes in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of the base prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders whereby the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any

tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Notes;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Notes without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Noteholders in respect of such taxes, duties or other charges imposed on the Noteholder in respect of the substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Noteholders in accordance with § [14][●].

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this § [15][●] and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

(b) Change of references.

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

[(c) Further substitution.

After a substitution pursuant to § [15][●](a), the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in § [15][●](a) and § [15][●](b) shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

[[c)][(d)] Reverse substitution.

After a substitution pursuant to § [15][●](a) [or § [15][●](c)] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.]]

## § [16][●] Final Provisions

(a) Governing law.

The form and content of the Notes and the rights and duties of the Noteholders, the Issuer and the Principal Paying Agent shall in all respects be governed by the laws of the Federal Republic of Germany.

(b) Place of performance

Place of performance is [Valletta, Republic of Malta][●].

(c) Place of jurisdiction.

Place of jurisdiction shall be [Duisburg, Federal Republic of Germany][Valletta, Republic of Malta][●]. The court to be determined in accordance with the German Act on Issues of Debt Securities shall have (exclusive) jurisdiction for decisions and actions under, or in connection with, the German Act on Issues of Debt Securities.

(d) Enforcements of rights.

Any Noteholder may in any proceedings against the Issuer or to which the Noteholder and the Issuer are parties protect and enforce in its own name its rights arising under its Notes by submitting the following documents: a certificate issued by its Depository Bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such statement to such Noteholders' securities deposit account maintained with such Depository Bank. For purposes of the foregoing, "**Depository Bank**" means any bank or other financial institution authorized to engage in securities deposit business with which the Noteholder maintains a securities deposit account in respect of any Notes, and includes the Clearing System.

(e) Annulment.

The courts of [Duisburg, Federal Republic of Germany][Valletta, Republic of Malta][●] shall have exclusive jurisdiction over the annulment of lost or destroyed Notes.

(f) Language.

The English version of these Terms and Conditions shall be binding.

## II. OPTION II – TERMS AND CONDITIONS OF THE SUBORDINATED GERMAN FIXED RATE BEARER NOTES

The following is the text of the terms and conditions applicable to the subordinated German fixed rate bearer notes. [The final terms and conditions of the subordinated German fixed rate bearer notes will be an integral part of the respective global note.]

[The final terms and conditions of the subordinated German fixed rate bearer notes, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Notes" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The subordinated German fixed rate bearer notes are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### § 1 Issuer, Aggregate Principal Amount, Principle Amount, Form, Certification and Transferability

(a) Issuer, Currency, Aggregate Principal Amount and Principle Amount.

This bond of Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the "**Issuer**") in the aggregate principal amount of [up to] [EUR][SEK][*insert other currency code*] [*insert aggregate principal amount*] (in words: [Euro][*insert other currency*] [*insert aggregate principal amount*]) (the "**Aggregate Principal Amount**"), is divided into partial notes ranking pari passu among themselves (each a "**Note**" and together, the "**Notes**") in the principal amount of [EUR][SEK][*insert other currency code*] [1,000.00][*insert other principal amount greater than 1,000.00 in other currencies*] each (in words: [Euro][*insert other currency*] [one thousand][*insert other principal amount*]).

(b) Form.

The Notes are being issued in bearer form.

(c) Certification.

The Notes are represented for the entire term as follows:

*[In case of Tefra D insert:*

The Notes will initially be represented for the whole term of the Notes by a temporary global bearer note (the "**Temporary Global Note**") without interest coupons, which will be exchanged not earlier than 40 days and not later than 180 days after the Issue Date (as defined in § [4][●](a)) against a permanent global bearer note (the "**Permanent Global Note**", the Temporary Global Note and the Permanent Global Note together the "**Global Note**") without interest coupons. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions) in accordance with the rules and operating procedures of [*in case of Europe AG insert: Clearstream Europe AG, business address: Mergenthalerallee 61, 65760 Eschborn*][*in case of another Central Securities Depository insert: [●]*], or any successor in such capacity (the "**Clearing System**"). Payments of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such

certification received on or after the 40<sup>th</sup> day after the date of issue of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this paragraph. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

The Temporary Global Note and the Permanent Global Note shall only be valid if it bears the handwritten signature of a representative of the Issuer [(whose signature may qualify as facsimile signature pursuant to section 793 para. (2) of the German Civil Code)] [and shall each be authenticated by or on behalf of the Paying Agent (as defined in § [11][●](a))]. The Temporary Global Note and the Permanent Global Note will be deposited with the Clearing System. The right to require the issue of definitive Notes or interest coupons has been excluded.]

*[in case without Tefra D insert:*

The Notes will be represented for the whole life of the Notes by a permanent global bearer Note (the "**Permanent Global Note**" respectively the "**Global Note**"). The Permanent Global Note will be kept in custody by [*in case of Europe insert:* Clearstream Europe AG, Mergenthaler Allee 61, 65760 Eschborn, Federal Republic of Germany][*in case of another Central Securities Depository insert:* [●]], or any successor in such capacity (the "**Clearing System**").

The Permanent Global Note shall only be valid if it bears the handwritten signature of a representative of the Issuer [(whose signature may qualify as facsimile signature pursuant to section 793 para. (2) of the German Civil Code)] [and shall each be authenticated by or on behalf of the Paying Agent (as defined in § [11][●](a))]. The Permanent Global Note will be deposited with the Clearing System. The right to require the issue of definitive Notes or interest coupons has been excluded.]

(d) Transferability.

The holders of the Notes (the "**Noteholders**") will receive co-ownership participations in the Global Note, which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

## § 2 Status of the Notes [and Negative Pledge]

[(a)] Status.

The Notes constitute direct, unconditional, subordinated and [un]secured obligations of the Issuer[, which provide for a pre-insolvency enforcement block,] and rank pari passu without any preference among themselves and at least pari passu with all other subordinated obligations of the Issuer [of the same ranking], present and future save for certain mandatory exceptions provided by law]. [Unless expressly otherwise specified in the relevant Final Terms, the Notes are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the Notes.]

[(b)] Negative pledge.

The Issuer undertakes [and undertakes to procure that all of its Subsidiaries], so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent [(as defined in § [11][●](a))], not to create or permit to subsist any mortgage, lien, pledge, charge or other security interest (each such right a "**Security**") over the whole or any part of its undertakings, assets or revenues, present or future, to secure any Capital

Market Indebtedness or to secure any guarantee or indemnity given by the Issuer [or any of its Subsidiaries] in respect of any Capital Market Indebtedness of any other person, without, at the same time or prior thereto, securing all amounts payable under the Notes either with equal and rateable Security or providing all amounts payable under the Notes such other Security as shall be approved by an independent accounting firm of internationally recognized standing as being equivalent security.

[This undertaking shall not apply with respect to:

(i) any Security which is provided for by law or which has been required as a condition precedent for public permissions;

(ii) any Security existing on assets at the time of the acquisition thereof by the Issuer, provided that such Security was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security is not increased subsequently to the acquisition of the relevant assets[;][.]

[(iii) any Security which is provided by any Subsidiary of the Issuer with respect to any receivables of such Subsidiary against the Issuer which receivables exist as a result of the transfer of the proceeds from the sale by the subsidiary of any Capital Market Indebtedness, provided that any such Security serves to secure obligations under such Capital Market Indebtedness of the relevant Subsidiary.]

[For the purposes of these Terms and Conditions, "**Capital Market Indebtedness**" shall mean any present or future obligation for the repayment of borrowed monies which is in the form of, or represented or evidenced by bonds, notes, debentures, loan stock or other securities which are, or are capable of being, quoted, listed, dealt in or traded on any stock exchange, or other recognized over-the-counter or securities market.]

["**Subsidiary**" for purposes of [these Terms and Conditions][this § 2(b)] means any fully consolidated subsidiary of the Issuer.]

[A Security pursuant to this § 2(b) may also be provided to a trustee of the noteholders.]]]

[[~~(b)~~][(c)] [Qualified] [Subordination][subordination] clause.

In the insolvency or liquidation of the Issuer [and in light of the pre-insolvency enforcement block], the obligations of the Issuer under the Notes will rank:

[(1)] junior to all present or future unsubordinated instruments or obligations of the Issuer[.] [*in case of a qualified subordination clause insert: ; whereby:*

(i) all claims under the Notes, including but not limited to the claims for payment of the Redemption Amount and the Early Redemption Amount [and the Call Early Redemption Amount] [and the Put Early Redemption Amount] [and the Make-whole Call Redemption Amount] and the payment of the interest coupon, applying in accordance with section 19 para. (2) sentence 2 of the German Insolvency Code are subordinated to all claims of other current or future creditors in such a manner that any payments of principal and interest under the Notes may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, i.e. at the ranking position stipulated in section 39 para. (2) of the German Insolvency Code. A waiver with respect to the claims is not possible;

(ii) Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets;

(iii) the Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted or unable to pay its debts within applying the meaning of German insolvency law;

(iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings;

(v) apart from that, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.

[For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole applying within the meaning of section 328 para. (2) of the German Civil Code]. Any cancellation of this subordination agreement without the creditors' cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.]]

**[Subordinated claims may not be asserted for as long as, and to the extent that, the assertion of such claims would lead to over-indebtedness of the Issuer within the meaning of section 17 of the German Insolvency Code or imminent insolvency of the Issuer within the meaning of section 18 of the German Insolvency Code or insolvency of the Issuer within the meaning of section 19 of the German Insolvency Code (pre-insolvency enforcement block).]**

**[In the event of a payment by the Issuer in breach of a payment prohibition, the Issuer is entitled to demand repayment of the amount received from the Noteholder and to take legal action.]**

[[ (2) ] [●] pari passu among themselves[; and][.]]

[[ (3) ] [●] senior to all present or future all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes[;][.]]

[[ (4) ] [●] Pre-insolvency enforcement block/non-payment:

[If and to the extent that the partial or complete satisfaction of one or more or all of the Noteholders' claims (e.g. repayment, interest and other ancillary claims) would give rise to at least one reason for opening insolvency proceedings against the Issuer, the Noteholder cannot enforce this claim or these claims in a legally binding manner outside of insolvency proceedings (payment ban for the Noteholder). The payment prohibition applies for an indefinite period until such time as the fulfillment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. This means that claims arising from the Notes can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.][*insert other definition: [●]*]

#### **Qualified Subordination Agreement:**

In the event of insolvency proceedings on the assets of the Issuer or the liquidation of the Issuer, the claims arising from the Notes shall rank behind all non-subordinated claims and all subordinated claims within the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code.

Definition:

[Reason for opening insolvency proceedings refers to the inability to pay within the meaning of section 17 of the German Insolvency Code, imminent inability to pay within the meaning of section 18 of the German Insolvency Code and overindebtedness within the meaning of section 19 of the German Insolvency Code, however, an impending overindebtedness does not constitute reasons for opening insolvency proceedings.][*insert other definition: [●]*]

[[ (c ) ] ] [ ( d ) ] No Set-off or Security.

Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under these Notes. [Unless expressly otherwise specified in the relevant Final Terms, no contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by the Notes. Any contractual collateral specified in the Final Terms does not enhance the seniority of the claims under the Notes.] [The Notes are neither secured nor subject to a guarantee that enhances the seniority of the claims under the Notes.] [The Notes are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claims under the Notes.] [No subsequent agreement may limit the subordination pursuant to paragraph [ ( b ) ] [ ( c ) ].]

### [ § 3 Financial Covenants

[[ ( a ) ] Equity Capital Ratio.

The Issuer ensures that itself maintains an Equity Capital Ratio of at least [twenty-five][*insert other percentage rate*] [(25)][*insert other percentage rate*] percent. [The Equity Capital Ratio shall be calculated in accordance with [local GAAP] [or] [EU-IFRS] [or] [IFRS] [at the Issuer's option].]

Whereby:

"**Equity Capital Ratio**" means the balance sheet equity divided by the balance sheet total, whereby all figures are to be determined from the last audited annual financial statements of the Issuer [and the Issuer is entitled, for the purpose of calculating the equity capital ratio, to continue the accounting methods used at the time of the issue – eventually also deviating from the audited [annual] [or] [semi-annual] financial statements].

"**Reporting Date**" means the 31 December 20[●] [and each further 31 December] [of each calendar year until the Redemption Date].]

[[ ( b ) ] [●] Liquidity Reserve.

The Issuer undertakes to ensure that its Subsidiaries, if necessary and if they generate profits, have distributable liquidity and distribute at least sufficient funds to the Issuer that the Issuer is always in a position to meet its obligations under these Terms and Conditions.

["**Subsidiary**" for purposes of [these Terms and Conditions][this § [4(b)][●]] means any fully consolidated subsidiary of the Issuer.]

[[ ( c ) ] [●] Information Obligation.

The Issuer undertakes to provide the Noteholders in the form of § [14][●] or by publication on its website (<https://timberlandsecuritiesinvestmentplc.com> [*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof] with:

[(i)] the audited annual financial statements as at [*insert date*] as available but not later than [9][*insert other number of months*] months after the end of the financial year [*insert fiscal year*] and the audited annual financial statements for subsequent financial years as available but not later than [9][*insert other number of months*] months after the end of each financial year (each an "**Annual Financial Statement Publication Date**") [; and].]

[[ ( ii ) ] as soon as available, but not later than [6][*insert other number of months*] months after the end of each half fiscal year (the "**Semi-Annual Financial Statement Publication Date**" and together with the Annual Financial Statement Publication Date, the "**Publication Date**"), the relevant unaudited semi annual financial statement.]

[(d)] [●] Listing.

The Issuer will ensure that the Notes are listed on [insert relevant markets and stock exchanges or trading venues] on [insert date] (the "**Listing Date**") at the latest and will maintain such listing until final maturity of the Notes, but at the latest until all Notes have been redeemed or repurchased.]]

§ [4] [●] **Interest**

[(a)] Interest and interest rate.

[in case of Notes to be issued with a constant coupon insert: The Notes will bear interest on their principal amount at a rate of [insert interest rate] % per annum (the "**Interest Rate**") as from [insert issue date] (the "**Issue Date**") , whereby no obligation to pay interest applies if, on the basis of the agreed [qualified] subordination [and/or the pre-insolvency enforcement block] pursuant to § 2[(b)][(c)], the Issuer is not obliged to pay or the Noteholders may not assert their claims. Interest is payable in arrears on [insert interest payment date(s)] of each year (each an "**Interest Payment Date**" and the period from the Issue Date (inclusive) up to the first Interest Payment Date (exclusive) and thereafter as from any Interest Payment Date (inclusive) up to the next following Interest Payment Date (exclusive) being an "**Interest Period**"). The first interest payment will be due on [insert first interest payment date] [(short first coupon)][(long first coupon)], the Interest Payment Date immediately preceding the Maturity Date is [insert interest payment date preceding the Maturity Date] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also an Interest Payment Date.]

The Notes shall cease to bear interest from the beginning of the day they are due for redemption, or, in case the Issuer fails to make any payment under the Notes when due, from the beginning of the day on which such payment is made. [In such case interest shall continue to accrue on the outstanding principal amount of the Notes beyond the Redemption Date (as defined in § [5] [●] [(a)]) (including) until the date of the actual redemption of the Notes (excluding) at the default rate of interest established by law<sup>2</sup>.] [In such case, the Interest Rate shall be increased by [5] [insert percentage point(s)] percentage point[s] per annum.]

[Where interest is to be calculated in respect of a period which is shorter or longer than an Interest Period the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from and including the most recent Interest Payment Date) divided by the actual number of days of the Interest Period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).]

[in case the Notes are issued with an increasing coupon insert: The Notes shall bear interest on their principal amount at the relevant interest rate as set out in the table below (the "**Relevant Interest Rate**"). Interest shall be scheduled to be paid for each interest period (each such period, an "**Interest Period**") on an interest payment date (each such date, an "**Interest Payment Date**", commencing on [insert date] (the "**Issue Date**").

Interest Period[s] from (and excluding) to (but excluding)		Interest Payment Date[s]	Relevant Interest Rate[s]
[specified dates]	[specified dates]	[specified dates]	[specified interest rates]
[●]	[●]	[●]	[●]

The Notes shall cease to bear interest from the beginning of the day they are due for redemption, or, in case the Issuer fails to make any payment under the Notes when due, from the beginning of the day on which such payment is made. In such case, the Relevant Interest Rate shall be increased by [5] [insert

*percentage point(s)*] percentage point[s] per annum.

[Where interest is to be calculated in respect of a period which is shorter or longer than an Interest Period the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from and including the most recent Interest Payment Date) divided by the actual number of days of the Interest Period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).]]

[(b) Interest rate increase.

The Issuer undertakes, in the event that Issuer notifies by way of a Disclosure Notification that

[- the Equity Capital Ratio (determined in accordance with § 3[(a)]) as of the relevant Reporting Date is below the ratio as set out in § 3[(a)][,]; or]]

[- the information obligation in accordance with § 3[(c)][●] has not been fulfilled in time at the relevant [Annual Financial Statement Publication Date][Publication Date][,]; or]]

[- the obligation in accordance with § 3[(d)][●] relating to the listing has not been fulfilled on the Listing Date at the latest,]

to pay an Increased Interest Rate (per annum) on the Notes during the Relevant Interest Period. The Issuer undertakes to publish any Disclosure Notification at least [20][*insert other number of days*] days prior to each Interest Payment Date on the Issuer's website <https://timberlandsecuritiesinvestmentplc.com> [*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof.

[With respect to § 3[(a)] a shortfall in the Equity Capital Ratio is deemed to have occurred if the reduction in the Equity Capital Ratio was determined on the basis of the relevant adopted annual financial statements.]

Whereby:

"**Increased Interest Rate**" means an interest rate (per annum) to be applied on the Notes and which reflects the sum of the [Relevant] Interest Rate and [0.5][*insert percentage points*] percentage points.

"**Relevant Interest Period**" means the interest period from the first day of this interest period (inclusive) to the last day of this interest period (exclusive) which follows the Interest Period in which a Disclosure Notification has been published.

"**Disclosure Notification**" means a notification in accordance with § [14][●] regarding [the shortfall of the Equity Capital Ratio in accordance with § 3[(a)] as per the each recent Reporting Date] [and] [the breach of the information obligation in accordance with § 3[(c)][●]] [and] [the breach of the listing obligation in accordance with § 3[(d)][●]] [and [●]].]

§ [5][●] **Maturity, Redemption** [, **Early Redemption for Tax Reasons**] [, **Early Redemption at the Option of the Issuer**] [, **Early Redemption at the Option of the Noteholders**] [, **Make-whole Call Option**] [and **Repurchase**] [and **Cancellation**]

[(a)] Maturity and redemption.

The Notes will be redeemed at the redemption amount (the "**Redemption Amount**") on [*insert redemption date*] (the "**Redemption Date**"), unless, on the basis of the agreed [qualified] subordination [and/or the pre-insolvency enforcement block] pursuant to § 2[(b)][(c)], the Issuer is not obliged to pay or the Noteholders may not assert their claims. The Redemption Amount in respect of each Note shall

be [[●] % of] the principal amount [[plus][minus] [Euro][*insert other currency*] [*insert amount*]]. [Subject to the provisions of § [8][●], there will be no early redemption [except in the following cases].]

[(b) Early redemption for tax reasons.

If at any future time as a result of a change of the laws applicable in the Republic of Malta or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due in respect of principal or interest will be required, to pay Additional Amounts (as defined in § [7][●](a)), and such obligation cannot be avoided taking reasonable measures available to the Issuer, the Issuer will be entitled, upon not less than [30][*insert other number of days*] days' and not more than [60][*insert other number of days*] days' notice to be given by publication in accordance with § [14][●], to redeem all Notes at the Early Redemption Amount plus accrued and unpaid interest to (but excluding) the Early Redemption Date interest.

No notice of redemption pursuant to this § [5][●](b) shall be given (i) earlier than [90][*insert other number of days*] days prior to the earliest date on which the Issuer would be obligated to pay Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be irrevocable and must specify the Early Redemption Date and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

"**Early Redemption Amount**" for purposes of [these Terms and Conditions][this § [5][●](b)] means [[●] % of] the principal amount [[plus][minus] [Euro][*insert other currency*] [*insert amount*]].

"**Early Redemption Date**" means the date specified in the redemption notice issued in accordance with § [14][●] as the relevant date for redemption.]

[[c)][●] Early redemption at the option of the Issuer.

The Issuer shall be entitled, by giving not less than [10][*insert other number of days*] nor more than [30][*insert other number of days*] days' notice by publication in accordance with § [14][●], to redeem outstanding Notes, in whole, no earlier than the [relevant] Call Early Redemption Dates at the [relevant] Call Early Redemption Amount plus accrued and unpaid interest. [For the purpose of the calculation of accrued interest, if any, the respective Call Early Redemption Date shall not be counted.]

Call Early Redemption Dates[s]	Call Early Redemption Amount
[specified dates]	[specified amount]
[specified dates]	[specified amount]

The early redemption of the Notes pursuant to § [5(c)][●] shall be declared to the Noteholders by publication in accordance with § [14][●]. Such notice of termination shall mandatorily specify the following details: (i) the Call Early Redemption Date and (ii) the Call Early Redemption Amount at which the Notes are to be redeemed. The Call Early Redemption Date must be a Business Day within the meaning of § [6][●](c). Such notice shall be irrevocable. In respect of the Notes which are subject to redemption the entitlement to interest shall end with the day immediately preceding the Call Early Redemption Date.

[The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under § [5(d)][●].]

[[d)][●] Early redemption at the option of the Noteholders upon a change of control.

If a Change of Control occurs, each Noteholder shall have the right to require the Issuer to redeem or,

at the Issuer's option, purchase (or procure the purchase by a third party of) in whole or in part his Notes at the Put Early Redemption Amount (the "**Put Option**"). An exercise of the Put Option shall, however, only become valid if during the Put Period Noteholders of Notes with an aggregate principal amount of at least [90][*insert other percentage rate*] % of the Aggregate Principal Amount of the Notes then outstanding have exercised the Put Option.

"**Change of Control**" means the occurrence of any of the following events:

(i) the Issuer becomes aware that any Third Person or group of Third Persons acting in concert within the meaning of section 2 para. (5) of the German Securities Acquisition and Takeover Act (each an "**Acquirer**") has become the legal owner of more than 50 % of the voting rights of the Issuer; or

(ii) the merger of the Issuer with or into a Third Person or the merger of a Third Person with or into the Issuer, or the sale of all or substantially all of the assets [(determined on a consolidated basis)] of the Issuer to a Third Person, other than in a transaction following which (A) in the case of a merger holders that represented 100 % of the voting rights of the Issuer own directly or indirectly at least a majority of the voting rights of the surviving person immediately after such merger and (B) in the case of a sale of all or substantially all of the assets, each transferee becomes a guarantor in respect of the Notes and is or becomes a Subsidiary of the Issuer.

[It shall not be qualified as a Change of Control, however, if following the admission of the Issuer's shares to trading on [the regulated market] [or] [a MTF-market] [or] [an OTF-market] of a German stock exchange or an equivalent market segment of a foreign stock exchange less than 50 % of the voting rights of the Issuer are owned by a holding company of the Issuer. It shall also not be qualified as a Change of Control, if shares of the Issuer or any other participating interest will be transferred by testamentary or hereditary succession.]

If a Change of Control occurs, then the Issuer shall, without undue delay, after becoming aware thereof, give notice of the Change of Control (a "**Put Event Notice**") to the Noteholders in accordance with § [14][●] specifying the nature of the Change of Control and the procedure for exercising the Put Option contained in this § [5][●][(d)].

The exercise of the Put Option pursuant to § [5(d)][●] must be declared by the Noteholder within [30][*insert other number of days*] days after a Put Event Notice has been published (the "**Put Period**") to the Depository Bank (as defined in § [16][●](d)) of such Noteholder in writing (the "**Put Notice**"). The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date [seven][*insert other number of days*] days after the expiration of the Put Period (the "**Put Redemption Date**") unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made through the Issuer. A Put Notice, once given, shall be irrevocable.]

"**Put Early Redemption Amount**" means [[●] % of] the principal amount [[plus][minus] [Euro][*insert other currency*] [*insert amount*]].

["**Third Person**" means any person other than the Issuer.]

["**Subsidiary**" for purposes of this § [5][●](d) means any fully consolidated subsidiary of the Issuer.]

[[**(e)**][●] Make-whole Call Option.

(aa) The Issuer may at any time, upon notice given in accordance with the third subparagraph (cc), redeem the Notes in whole, but not in part, on the date specified in the notice (the "**Make-whole Call Redemption Notice**") mentioned in sub-paragraph (cc) (the "**Make-whole Call Redemption Date**") and at the applicable redemption amount (the "**Make-whole Call Redemption Amount**").

(bb) The Make-whole Call Redemption Amount of a Note shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant Note to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(cc) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with § [14][●]. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [30][*insert other number of days*] Business Days nor more than [30][*insert other number of days*] Business Days after the calendar day on which notice is given by the Issuer to the Noteholders.

(dd) The Issuer shall, not less than [15][*insert other number of days*] calendar days before the giving of the notice referred to above, notify the Paying Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Business Day immediately following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Paying Agent, and the Noteholders of the Make-whole Redemption Amount. All Notes in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this § [5][●](e).

[The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under § [5(d)][●].]

"**Applicable Premium**" means the excess, if any, of

(i) the present value on such Make-whole Call Redemption Date of

(A) the Principal Amount of the relevant Note, plus

(B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Date

discounted with the Benchmark Yield plus 0.5 percentage points over

(ii) the Principal Amount of such Note on the Make-whole Call Redemption Date.

"**Benchmark Yield**" means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption Calculation Date (or if such financial statistics are not so published or available, as apparent from any publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.

"**Make-whole Call Calculation Agent**" means the [Issuer][●].

"**Make-whole Call Redemption Calculation Date**" means the sixth Business Day prior to the Make-whole Call Redemption Date.]

[[f]][•] Repurchase.

The Issuer may at any time purchase Notes in the market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.]

[[g]][•] Cancellation.

All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.]

## § [6][•] Payments and Deposit

(a) Payments.

The Issuer undertakes to pay, as and when due, principal and interest on the Notes in [Euros][*insert other currency*]. Payment of principal and interest on the Notes shall be made, subject to applicable fiscal and other laws and regulations, through the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders. Payments to the Clearing System or to its order shall to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § [7][•](a).

If any payment of principal or interest (as well as any amounts payable on the Notes) is to be effected on a day other than a Business Day, payment will be effected on the next following Business Day. In this case, the relevant Noteholders will neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Redemption Amount [and the Early Redemption Amount] [and the Call Early Redemption Amount] [and the Put Early Redemption Amount] [and the Make-whole Early Redemption Amount] and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § [7][•](a).

"**Business Day**" for purposes of these Terms and Conditions means a day (other than a Saturday or Sunday) on which (i) the real time gross settlement system operated by the Eurosystem (T2) and (ii) the Clearing System are operating and settle payments.

(b) Deposits.

The Issuer may deposit with the local court in Duisburg principal and interest (as well as any amounts payable on the Notes) not claimed by Noteholders within twelve months after the relevant due date, even though such Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the relevant claims of such Noteholders against the Issuer shall cease.

## § [7][•] Taxes

(a) General taxation.

All amounts payable under the Notes will be paid without deduction or withholding for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding at source by or on behalf of the Republic of Malta or by or on behalf of any political subdivision or authority thereof or therein having power to tax, unless such deduction or withholding is required by law.

In such event the Issuer will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts after such deduction or withholding will equal the amounts that would have been payable if no such deduction or withholding had been made.

No Additional Amounts will be payable pursuant to § [7][●] with respect to taxes, duties or government charges which

(i) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(ii) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Republic of Malta or another member state of the European Union and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Republic of Malta;

(iii) are deducted or withheld pursuant to (A) any European Union Directive or Regulation concerning the taxation of interest income, or (B) any international treaty or understanding relating to such taxation and to which the Republic of Malta or the European Union is a party, or (C) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(iv) are payable by reason of a change in law that becomes effective more than [30][*insert other number of days*] days after the relevant payment of principal or interest becomes due, or, if this occurs later, after all due amounts have been duly provided for and a publication to that effect has been published in accordance with § [14][●].

(b) Obligation to notify.

The Issuer undertakes to immediately notify the Paying Agent if it is at any time required by law to make deductions or withholdings (or if the rates or methods of calculating such deductions or withholdings change) from payments due under these Terms and Conditions.

### § [8][●] Events of Default

(a) Exclusion of the ordinary right to call.

The Noteholder's right to call is excluded.

(b) Extraordinary termination.

Each Noteholder will be entitled to declare his Notes due and demand immediate redemption of its Notes at the Early Redemption Amount plus accrued interest, if

[[ (i) ] the Issuer fails to any amount due under the Notes, including, without limitation, principal [and any [Call Redemption Amount,] [Make-whole Call Redemption Amount,] [Put Redemption Amount,] [Early Redemption Amount] or any other amount payable under the Notes within [7][*insert other number of days*] days from the relevant due date, whereby no right of the Noteholders to terminate the Notes and no relevant obligation of the Issuer to redeem apply if, on the basis of the agreed [qualified] subordination [and/or the pre-insolvency enforcement block] pursuant to § 2[(b)][(c)], the Issuer is not obliged to pay or the Noteholders may not assert their claims;][.] ]

[[ (ii) ] [●] the Issuer fails to duly perform any other material non-payment obligation arising from the Notes and such default, except where such default is incapable of remedy, continues unremedied for more than [30][*insert other number of days*] days after the Issuer has received notice thereof from a

Noteholder[;][.]]

[[ (iii) ] [•] the Issuer [or a Material Subsidiary] states in writing that it is generally unable to pay its debts as they become due (*Cessation of payment*) [;][.]]

[[ (iv) ] [•] the Issuer [or a Material Subsidiary] fails to fulfil any payment obligation in excess of a total amount of [EUR][SEK][insert other currency code] [insert amount] (in words: [insert amount] [Euros][insert other currency]) under any Financial Indebtedness, or under any guaranty or suretyship for any such indebtedness of a third party, when due (including in case of any possible acceleration) and within [30][insert other number of days] days after being invoked (*Cross Default*) [;][.]]

[[ (v) ] [•] (A) the Issuer's [or a Material Subsidiary's] assets have been subjected to an insolvency proceeding, or (B) the Issuer [or a Material Subsidiary] applies for or institutes such proceedings or (C) a third party applies for insolvency proceedings against the Issuer [or a Material Subsidiary] and such proceedings are not discharged or stayed within [30][insert other number of days] days, unless such proceeding is dismissed due to insufficient assets [;][.]]

[[ (vi) ] [•] the Issuer ceases its business operations in whole or sells or transfers its assets in whole or a material part thereof to a third party (except for the Issuer [and any of its Subsidiaries]) and this causes a substantial reduction of the value of the assets of the Issuer [(on a consolidated basis)]. In the event of a sale of assets such a substantial reduction shall be assumed if the value of the assets sold exceeds [50 %][insert other percentage rate] of the [consolidated] total assets and liabilities of the Issuer [;][.]]

[[ (vii) ] [•] the Issuer [or a Material Subsidiary] goes into liquidation, unless this is effected in connection with a merger or another form of amalgamation with another company or in connection with a restructuring, and the other or the new company effectively assumes substantially all of the assets and liabilities of the Issuer [or the Material Subsidiary], including all obligations of the Issuer arising in connection with the Notes [;][.]]

[[ (viii) ] [•] the Issuer makes a "**Prohibited Disbursement**" to its shareholders in a financial year that amount to more than [50 % of the Issuer's net income (after deduction of any third party interests in the net income)] [•], which is generated in the preceding financial year, beginning with the net income for the financial year [20[•]][insert other financial year]. Exceptions to this are statutory based payment claims or payment claims in connection with the Issuer's articles of association.]

["**Early Redemption Amount**" for purposes of this § [8][•](b) means [[•] % of] the principal amount [[plus][minus] [Euro][insert other currency] [insert amount]].]

["**Material Subsidiary**" means a Subsidiary of the Issuer (i) whose revenues exceed [10][insert other percentage rate] % of the consolidated revenues of the Issuer or (ii) whose total assets and liabilities exceed [10][insert other percentage rate] % of the consolidated total assets and liabilities of the Issuer, where each threshold shall be calculated on the basis of the last audited or, in case of half yearly accounts, unaudited consolidated financial statements of the Issuer in accordance with [local GAAP] [or] [EU-IFRS] [or] [the International Financial Reporting Standards (IFRS)] and in the last audited (if available) or (if unavailable) unaudited unconsolidated financial statements of the relevant Subsidiary.]

["**Financial Indebtedness**" shall mean (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures or other similar instruments, (iii) the principal component of obligations in respect of letters of credit, bankers' acceptances and similar instruments, and (iv) capitalized lease obligations and attributable indebtedness related to sale/leaseback transactions and factoring agreements.]

(c) Exclusion of termination.

The right to declare the Notes due and demand immediate redemption shall cease if the reason for the

termination has been rectified before the exercise of the termination right.

(d) Notification.

A notification or termination pursuant to § [8][●](a) has to be effected by the Noteholder in writing in the German or English language *vis-a-vis* the Issuer together with a special confirmation of the Depository Bank in accordance with § [16][●](d) hereof or in any other adequate manner evidencing that the notifying person is a Noteholder as per the notification, to be delivered personally or by mail to the Issuer. A notification or termination will become effective upon receipt thereof by the Issuer.

**[§ [9][●] Limitation on certain Payments**

The Issuer undertakes [not][, neither directly nor through any of its subsidiaries,] to pay out any dividend or to make any other distribution to a direct or indirect shareholder, which exceeds [50][*insert other percentage rate*] % of the result after taxation determined by [the consolidated and] audited Annual Report of the Issuer of the respective year, save for any legally bases payment claims or payment claims in connection with the Issuer's articles of association.]

**§ [10][●] Presentation Period and Prescription**

Waiving the statutory provisions, the period for presentation of the Notes (in accordance with section 801 para. (1) sentence 1 of the German Commercial Code) will be ten years. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

**§ [11][●] Paying Agent**

(a) Appointment.

[Quirin Privatbank AG, registered in the commercial register kept with the local court (*Amtsgericht*) Berlin-Charlottenburg, registration number HRB 87859 with business address at: Schillerstraße 20, 60313 Frankfurt am Main, Germany][●], (the "**Paying Agent**") will be the Principal Paying Agent. The Principal Agent in its capacity as Principal Paying Agent and any successor Principal Paying Agent are also referred to in these Terms and Conditions as "**Principal Paying Agent**". The Principal Paying Agent reserves the right at any time to change its specified offices to some other office in the same city.

(b) Change and Termination of Appointment.

The Issuer will procure that there will at all times be a Principal Paying Agent. The Issuer is entitled to appoint banks of international standing as Principal Paying Agent. Furthermore, the Issuer is entitled to terminate the appointment of the Principal Paying Agent. In the event of such termination or such bank being unable or unwilling to continue to act as Principal Paying Agent, the Issuer will appoint another bank of international standing as Principal Paying Agent. Such appointment or termination will be published without undue delay in accordance with § [14][●], or, should this not be possible, be published by way of a public publication in another way.

(c) Status.

The Principal Paying Agent acting in such capacity, act only as agent of the Issuer. There is no agency or fiduciary relationship between the Principal Paying Agent and the Noteholders.

(d) Exemption from the restrictions of section 181 of the German Commercial Code.

The Principal Paying Agent is hereby granted exemption from the restrictions of section 181 of the German Commercial Code and any similar restrictions of the applicable laws of any other country.

## § [12][●] Further Issuances of Notes

The Issuer reserves the right to issue from time to time, without the consent of the Noteholders, additional notes with substantially identical terms as the Notes (as the case may be, except for the issue date, interest commencement date and/or issue price), in a manner that the same can be consolidated to form a single series of Notes and increase the aggregate principal amount of the Notes. The term "Note" will, in the event of such consolidation, also comprise such additionally issued Notes. The Issuer shall, however, not be limited in issuing additional notes, which are not consolidated with the Notes and which provide for different terms, as well as in issuing any other debt securities.

## § [13][●] Amendments to the Terms and Conditions by resolution of the Noteholders and Common Representative

### (a) Amendments to the Terms and Conditions.

The Issuer may amend the Terms and Conditions with consent by a majority resolution of the Noteholders pursuant to section 5 et seq. of the German Act on Issues of Debt Securities, as amended from time to time. In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 (3) of the German Act on Issues of Debt Securities, by resolutions passed by such majority of the votes of the Noteholders as stated under § [13][●](b) below. A duly passed majority resolution shall be binding upon all Noteholders. Resolutions which do not provide for identical conditions for all Noteholders are void, unless Noteholders who are disadvantaged have expressly consented to their being treated disadvantageously.

### (b) Qualified Majority.

Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 (3) numbers 1 through 9 of the German Act on Issues of Debt Securities, may only be passed by a majority of at least 75 % of the voting rights participating in the vote (a "**Qualified Majority**").

### (c) Passing of resolutions.

Resolutions of the Noteholders shall be made either in a Noteholder's meeting in accordance with § [13][●](c)(i) or by means of a vote without a meeting in accordance § [13][●](c)(ii).

(i) Resolutions of the Noteholders in a Noteholder's meeting shall be made in accordance with section 9 et seq. of the German Act on Issues of Debt Securities. Noteholders holding Notes in the total amount of 5 % of the outstanding Aggregate Principal Amount of the Notes may request, in writing, to convene a Noteholders' meeting pursuant to section 9 of the German Act on Issues of Debt Securities. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the Noteholders' meeting. The attendance at the Noteholders' meeting or the exercise of voting rights requires a registration of the Noteholders prior to the meeting. Any such registration must be received at the address stated in the convening notice by no later than the third calendar day preceding the Noteholders' meeting.

(ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting shall be made in accordance section 18 of the German Act on Issues of Debt Securities. Noteholders holding Notes in the total amount of 5 % of the outstanding Aggregate Principal Amount of the Notes may request, in writing, the holding of a vote without a meeting pursuant to section 9 in connection with section 18 of the German Act on Issues of Debt Securities. The request for voting as submitted by the chairman will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to Noteholders together with the request for voting.

(d) Voting right.

Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes. As long as the entitlement to the Notes lies with, or the Notes are held for the account of, the Issuer or any of its affiliates (section 271 para. (2) of the German Commercial Code), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.

(e) Proof of eligibility.

Noteholders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the Depository Bank in accordance with § [16][●](d) hereof and by submission of a blocking instruction by the Depository Bank for the benefit of the depository, as specified by the Issuer together with agenda for the vote and being different from the Paying Agent, for the voting period.

(f) Common Representative.

The Noteholders may by majority resolution appoint a common representative (the "**Common Representative**") in accordance with the of the German Act on Issues of Debt Securities to exercise the Noteholders' rights on behalf of all Noteholders:

(i) The Common Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders. The Common Representative shall comply with the instructions of the Noteholders. To the extent that the Common Representative has been authorized to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Common Representative shall provide reports to the Noteholders on its activities. The appointment of a Common Representative by a Qualified Majority is required if such Common Representative is to be authorised to consent to a material change in the substance of the Terms and Conditions as set out in § [13][●](b) hereof.

(ii) The Common Representative may be removed from office at any time by the Noteholders without specifying any reasons. The Common Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of a Common Representative, including reasonable remuneration of the Common Representative.

(iii) The Common Representative shall be liable for the performance of its duties towards the Noteholders who shall be joint and several creditors; in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Common Representative may be limited by a resolution passed by the Noteholders. The Noteholders shall decide upon the assertion of claims for compensation of the Noteholders against the Common Representative.

(g) Notices.

Any notices concerning this § [13][●] shall be made in accordance with section 5 et seq. of the German Act on Issues of Debt Securities and § [14][●].

### § [14][●] Publications

(a) Provisions for Publications.

Publications relating to the Notes will be published on the Issuer's website <https://timberlandsecuritiesinvestmentplc.com> [insert any other website] [or] [insert other website] [or any successor website [in each case] thereof] and, to the extent mandatorily required, in the German Federal Gazette. A publication will be deemed to be made on the day of its publication (or in the case of more than one publication on the day of the first publication).

(b) Alternative means of communication.

The Issuer shall also be entitled to make publication to the Clearing System for communication by the Clearing System to the Noteholders or directly by way of a written notice to the Noteholders provided this complies with the rules of the stock exchange on which the Notes are listed. Publication vis-à-vis the Clearing System will be deemed to be effected [seven][insert other number of days] days after the publication to the Clearing System, direct publication of the Noteholders will be deemed to be effected upon their receipt.

### [§ [15][●] Substitution of the Issuer

(a) Substitution.

The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the "**Substitute Issuer**") as principle debtor under all Notes in respect of any and all obligations arising from and in connection with the Notes in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of the base prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders whereby the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Notes;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Notes without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Noteholders in respect of such taxes, duties or other charges imposed on the Noteholder in respect of the substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Noteholders in accordance with § [14][●].

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this § [15][●] and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

(b) Change of references.

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

[(c) Further substitution.

After a substitution pursuant to § [15][●](a), the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in § [15][●](a) and § [15][●](b) shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

[[c)][(d)] Reverse substitution.

After a substitution pursuant to § [15][●](a) [or § [15][●](c)] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.]]

## § [16][●] Final Provisions

(a) Governing law.

The form and content of the Notes and the rights and duties of the Noteholders, the Issuer and the Principal Paying Agent shall in all respects be governed by the laws of the Federal Republic of Germany.

(b) Place of performance.

Place of performance [Vatletta, Republic of Malta][●].

(c) Place of jurisdiction.

Place of jurisdiction shall be [Duisburg, Federal Republic of Germany][Valletta, Republic of Malta][●]. The court to be determined in accordance with the German Act on Issues of Debt Securities shall have (exclusive) jurisdiction for decisions and actions under, or in connection with, the German Act on Issues of Debt Securities.

(d) Enforcements of rights.

Any Noteholder may in any proceedings against the Issuer or to which the Noteholder and the Issuer are parties protect and enforce in its own name its rights arising under its Notes by submitting the following documents: a certificate issued by its Depository Bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such statement to such Noteholders' securities deposit account maintained with such Depository Bank. For purposes of the foregoing, "**Depository Bank**" means any bank or other financial institution authorized to engage in securities deposit business with which the Noteholder maintains a securities deposit account in respect of any Notes, and includes the Clearing System.

(e) Annulment.

The courts of [Duisburg, Federal Republic of Germany][Valletta, Republic of Malta][●] shall have exclusive jurisdiction over the annulment of lost or destroyed Notes.

(f) Language.

The English version of these Terms and Conditions shall be binding.

### III. OPTION III – TERMS AND CONDITIONS OF THE SENIOR LUXEMBOURG FIXED RATE BEARER NOTES

The following is the text of the terms and conditions applicable to the senior Luxembourg fixed rate bearer notes. [The final terms and conditions of the senior Luxembourg fixed rate bearer notes will be an integral part of the respective global note.]

[The final terms and conditions of the senior Luxembourg fixed rate bearer notes, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Notes" in the relevant Final Terms.]

#### TERMS AND CONDITIONS

The senior Luxembourg fixed rate bearer notes are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

##### 1. Currency, Denomination, Form, Clearing System

###### 1.1 Issuer, Currency, Denomination

This tranche of senior fixed rate notes (the **Note(s)**) is being issued by Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**) in [Euro (**EUR**)] [Swedish Krona (**SEK**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [up to] [●] (in words: [●]) in the denomination of [EUR][SEK][*insert other currency code*] [1,000][●] [(or the equivalent in other currencies)] (the **Specified Denomination** or the **Principal Amount**).

###### 1.2 Form

The Notes are being issued in bearer form.

###### 1.3 Global Notes

[The Notes are represented by a permanent global note (the **Global Note**) without coupons. The Global Note shall bear the signatures of two authorised signatories of the Issuer [and shall be authenticated with a control signature of the Fiscal Agent]. Definitive Notes and coupons will not be issued.]

[(a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for a permanent global note (the **Permanent Global Note** and together with the Temporary Global Note, the **Global Notes** or a **Global Note**) without coupons. The Temporary Global Note and the Permanent Global Note shall bear the signatures of two authorised signatories of the Issuer [and shall each be authenticated with a control signature of the Fiscal Agent]. Definitive Notes and coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not later than 180 calendar days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 calendar days after the date of issue of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Notes through such financial institutions).

Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this sub-paragraph (b) of Clause 1.3. Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.]

## 1.4 Clearing System

The Global Notes will be kept in custody by or on behalf of a Clearing System as central depository for securities until[, in case of the Permanent Global Note,] all obligations of the Issuer under the Notes have been satisfied.

## 2. Status

The obligations under the Notes constitute [un]secured and unsubordinated obligations of the Issuer ranking pari passu without any preference among themselves and pari passu with all other, present and future, [un]secured and unsubordinated obligations of the Issuer [of the same ranking], unless such obligations are given priority under mandatory provisions of statutory law. [Unless expressly otherwise specified in the relevant Final Terms, the Notes are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the Notes.]

## 3. Distributions

### 3.1 [Relevant] Distribution Rate and Distribution Payment Dates

*[In case the Notes are issued with a constant coupon and shall be redeemed on the Maturity Date insert:* The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 4.5.]

*[In case the Notes are issued with a constant coupon and shall be redeemed on the Initial Maturity Date, Extended Maturity Date or Final Maturity Date (at the latest) insert:* (a) The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Initial Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) until (and excluding) the Initial Maturity Date. To the extent the Issuer does not exercise an option to extend the term of the Notes in accordance with Clause 5.1, the Notes shall, in respect of the relevant Extension Period, also bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Extended Maturity Rate of Distributions**).

(b) Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year and until (and excluding) the Initial Maturity Date, and, to the extent applicable, the Extended Maturity Date and/or Final Maturity Date (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Initial Maturity Date is [●] [(short last coupon)][(long last coupon)] and, to the extent applicable, the Distribution Payment Date preceding the Final Maturity Date is [●] [(short last coupon)][(long last coupon)]. The Initial Maturity Date, the Extended Maturity Date and the Final Maturity Date are also referred to as a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 4.5.]

*[In case the Notes are issued with an increasing coupon insert:* The Notes shall bear distributions on their Principle Amount at the relevant rate as set out in the table below (the **Relevant Rate of Distributions**). Distributions shall be scheduled to be paid for each distribution period (each such period, a **Distribution Period**) on a distribution payment date (each such date, a **Distribution Payment Date**), commencing on [●] (the **Distribution Commencement Date**) [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date.

<b>Distribution Period[s]</b> from (and including) to (but excluding)		<b>Distribution Payment Date[s]</b>	<b>Relevant Rate of Distribution[s]</b>
[specified dates]	[specified dates]	[specified dates]	[specified rates]
[●]	[●]	[●]	[●]

Distributions for each Distribution Period will fall due in accordance with the provisions as set out in Clause 4.5.]

### **3.2 Calculation of Amount of Distributions**

The amount of distributions shall be calculated by applying the [Initial] [Relevant] Rate of Distributions [and, for each Extension Period, the Extended Maturity Rate of Distribution] to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

### **3.3 Default Distributions**

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## **4. Payments**

### **4.1 Payment of Principal**

Payment of principal on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

### **4.2 Payment of Distribution**

Payment of distributions on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System[, and in case of payment of distributions on Notes represented by a Temporary Global Note, upon due certification as provided for in Clause 1.3(b)].

### **4.3 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment.

#### **4.4 Discharge**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

#### **4.5 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

#### **4.6 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Put Redemption Amount][, the Call Redemption Amount][, the Make-whole Call Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 8.1.

### **5. Redemption**

#### **5.1 [Initial] Maturity Date [and Extended Maturity Date and Final Maturity Date]**

[(a) [Subject to paragraph (b) and [unless]][Unless] previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the [Initial] Maturity Date).

[(b) The Issuer may, at its option, on the Initial Maturity Date and on each Extended Maturity Date thereafter on which the Notes are outstanding, extend the term of the Notes to the next following Extended Maturity Date or the Final Maturity Date, as applicable, at the Extended Maturity Rate of Distribution in respect of the relevant Extension Period, but in no event beyond the Final Maturity Date.

(c) The Issuer will be deemed to have exercised its option to extend the term of the Notes to the next following Extended Maturity Date or Final Maturity Date, as applicable, unless the Issuer advises [the Fiscal Agent] [and] [the Paying Agent] [and] [the Clearing System] in writing to of its intention not to extend the term of the Notes at least [10][*insert number of days*] Payment Business Days prior to the Initial Maturity Date or the relevant Extended Maturity Date.

(d) In the event that the Issuer does not exercise an option to extend the term of the Notes, the Notes shall mature on the Initial Maturity Date or the relevant Extended Maturity Date or the Final Maturity Date.]

## 5.2 [No] Early Redemption at the Option of a Noteholder (Noteholder's Put)

[The Noteholders do not have a right to demand the early redemption of the Notes.]

[(a) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. *[in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert:* The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 5.]

(b) In order to exercise such option, the Noteholder must, not less than *[[insert minimum number of days] Payment Business Day[s]]* nor more than *[[insert minimum number of days] Payment Business Day[s]]* before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] *[[insert minimum period of notice to Issuer] Payment Business Day]* before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent and the Paying Agent[s] in the [English] [or] [German] language and includes further information. No option so exercised may be revoked or withdrawn.]

## 5.3 [No] Early Redemption at the Option of the Issuer (Issuer's Call)

[The Issuer does not have a right to redeem the Notes early.]

[(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify:

(i) the series number of the Notes (if applicable);

(ii) the Call Redemption Date [which shall be not less than *[insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]]* Payment Business Days *[in case of a maximum notice period insert:* nor more than *[insert number of days] Payment Business Days]* after the calendar day on which notice is given by the Issuer to the Noteholders]; and

(iii) the Call Redemption Amount at which the Notes are to be redeemed.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert:*

(c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 5.2.]]

## 5.4 [No] Early Redemption at the Option of the Issuer (Make-whole Call Option)

[The Issuer does not have a right to exercise the Make-whole Call Option and redeem the Notes early.]

[(a) The Issuer may at any time, upon notice given in accordance with subparagraph (c), redeem the Notes in whole, but not in part, on the Make-whole Call Redemption Date, a date specified in the

Make-whole Call Redemption Notice (as mentioned in sub-paragraph (c)) and at the applicable Make-whole Call Redemption Amount.

(b) The Make-whole Call Redemption Amount of a Note shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant Note to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(c) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [15][*insert number of days*] Payment Business Days nor more than [15][*insert number of days*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders.

(d) The Issuer shall, not less than [15][*insert number of days*] calendar days before the giving of the notice referred to above, notify the Paying Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Payment Business Day immediately following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Paying Agent, and the Noteholders of the Make-whole Redemption Amount. All Notes in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Clause 5.4.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert:*

(e) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 5.2.]]

### **5.5 [No] Early Redemption for Reasons of Taxation**

[The Issuer does not have a right to redeem the Notes early for reasons of taxation.]

[(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is required to pay Additional Amounts under Clause 8.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

## **6. Events of Default**

(a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or

(ii) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or

(iii) the Issuer suspends payment or announces its inability to pay its debts; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the [English] [or] [German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **7. Fiscal Agent, Principal Agent**

### **7.1 Appointment, Specified Offices**

The initial Fiscal Agent, and the initial Principal Paying Agent[s] and their respective initial specified offices are:

#### **Initial Fiscal Agent:**

[Timberland Invest Ltd.  
171, Old Bakery Street,  
Valletta VLT 1455  
Malta]

[●]

#### **Initial Principal Paying Agent[s]:**

[Quirin Privatbank AG  
Schillerstraße 20  
60313 Frankfurt am Main  
Germany]

[●]

Where these Terms and Conditions refer to the term Paying Agent[s], such term shall include the Principal Paying Agent.

The Fiscal Agent and the Paying Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city][in *[insert city]*].

## **7.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time to vary or terminate the appointment of any Fiscal Agent, or any Paying Agent and to appoint another Fiscal Agent, additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent [(which may be the Paying Agent)] [,][and] (ii) so long as the Notes are listed on a stock exchange, a Paying Agent [(which may be the Fiscal Agent)] with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority][authorities] [*in case of payments in U.S. Dollars insert:* and (iii) if payments at or through the offices of [a][all] Paying Agent[s] outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. Dollars, a Paying Agent with a specified office in New York]. The Issuer will give notice to the Noteholders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

The Issuer undertakes, to the extent this is possible, to maintain a Paying Agent in a member state of the European Union in which it shall not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive 2003/48/EC.

## **7.3 Agents of the Issuer**

The Fiscal Agent, and the Paying Agent[s] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

## **7.4 Determinations Binding**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith, inequitableness or manifest error) be binding on the Issuer, the Paying Agent[s], and the Noteholders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agent[s], or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## **8. Taxation**

### **8.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last calendar day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or

(e) are withheld or deducted in relation to a Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or

(f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or

(g) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution; or

(h) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 10, whichever occurs later.

## **8.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to Section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **8.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **9. Further Issues of Notes, Purchase and Cancellation**

### **9.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price,

Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

## **9.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

## **9.3 Cancellation**

All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## **10. Notices**

### **10.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes [shall be][may be] published in [*insert relevant publication medium*] and in electronic form on the website of the Issuer [<https://timberlandsecuritiesinvestmentplc.com>][*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof], in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[Notices to Noteholders [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Noteholder at his registered address and posted.]

### **10.2 Publication of Notices of the Issuer via the Clearing System**

If the publication of notices pursuant to Clause 10.1 is no longer required by law, the Issuer may, in lieu of publication in the media set forth in Clause 10.1, deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the [●] calendar day after the calendar day on which said notice was given to the Clearing System.

### **10.3 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English] [or] [German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) and by hand or mail. The Noteholder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Noteholder maintains a securities account in respect of the Notes that such Noteholder is, at the time such notice is given, the Noteholder of the relevant Notes, or (ii) in any other appropriate manner.

## **11. Meeting of Noteholders**

[Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.][The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).]

## **[12. Substitution of the Issuer**

The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Notes;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Notes without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Noteholders in respect of such taxes, duties or other charges imposed on the Noteholder in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Noteholders in accordance with Clause 10.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Clause 12 and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

[After the substitution(s) of the Issuer by a Substitute Issuer this Clause 12 shall apply again. In the event of such a substitution(s), every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.]]

## **12.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

### **[12.3 Further Substitution**

After a substitution pursuant to Clause 12.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Clause 12.1 and Clause 12.2 shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

### **[[12.3][12.4] Reverse Substitution**

After a substitution pursuant to Clause 12.1 [or Clause 12.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.]]

### **[12.][13.] Governing Law, Place of Jurisdiction and Enforcement**

#### **[12.1][13.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for Clause 11 (*Meeting of Noteholders*), which shall be subject to the laws of Luxembourg (unless mandatory rules and laws of another EU member state apply).

#### **[12.2][13.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of [Duisburg, Germany][Luxembourg, Luxembourg][Valletta, Malta] shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 2 (*Ranking*) and the courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 11 (*Meeting of Noteholders*).

#### **[12.3][13.3] Enforcement**

Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

### **[13.][14.] Definitions**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 8.1.

[**Applicable Premium** means the excess, if any, of

- (i) the present value on such Make-whole Call Redemption Date of
  - (A) the Principal Amount of the relevant Note, plus
  - (B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Datediscounted with the Benchmark Yield plus 0.5 percentage points over
- (ii) the Principal Amount of such Note on the Make-whole Call Redemption Date.]

**Applicable Exchange Rate** means (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

[**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended from time to time (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).]

[**Benchmark Yield** means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption Calculation Date (or if such financial statistics are not so published or available, as apparent from any publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.]

**Business Day Financial Centre** means [*insert relevant financial centre*].

**Calculation Period** means any period of time in respect of the calculation of an amount of distributions on any Note.

[**Call Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof] [Distribution Payment Date thereafter].]

**Clearing System** means [Clearstream Luxembourg and Euroclear] [and/or] [Clearstream Europe] [and/or] [OeKB CSD] [Six SIS AG] [Euroclear Sweden AB] [Euronext Securities Milan (Monte

Titoli S.P.A.)] and any successor in such capacity. [The Notes shall be kept in custody by a common depositary on behalf of both ICSD.]

[**Europe** means Clearstream Europe AG, The Cube, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.]

[**Clearstream Luxembourg** means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.]

**Code** has the meaning assigned to it in Clause 8.2.

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes (including the Clearing System).

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360] [the actual number of calendar days in the Calculation Period divided by 365].

**Distribution Commencement Date** has the meaning assigned to it in Clause 3.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 3.1.

**Early Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].

[**Euroclear** means Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.]

[**Euroclear Sweden** means Euroclear Sweden AB, Klarabergsviadukten 63, 111 64 Stockholm, Sweden.]

[**Euronext Securities Milan** means Monte Titoli S.P.A. Piazza degli Affari 6, 20123 Milano, Italian Republic]

**Exchange Date** has the meaning assigned to it in Clause 1.3.

[**Extended Maturity Date** means the [*insert number of day*] day of [each] [month(s)] following the Initial Maturity Date, commencing [●] and ending [●].]

[**Extended Maturity Rate of Distributions** means [●] per cent. per annum.]

[**Extension Period** means (i) the period between the Initial Maturity Date and the first Extended Maturity Date or (ii) the period between each Extended Maturity Date to the next Extended Maturity Date or (iii) the period between the Extended Maturity Date preceding the Final Maturity Date to the Final Maturity Date (as applicable).]

**FATCA** has the meaning assigned to it in Clause 8.2.

[**Final Maturity Date** means [●].]

**Fiscal Agent[s]** means [Timberland Invest Ltd.] [and] [●].

[**Germany** means the Federal Republic of Germany.]

**Global Note[s]** has the meaning assigned to it in Clause 1.4.

[**ICSD** means Clearstream Luxembourg and Euroclear.]

[**Initial Maturity Date** has the meaning assigned to it in Clause 5.1.]

**Issuer** has the meaning assigned to it in Clause 1.1.

**Luxembourg** means the Grand Duchy of Luxembourg.

[**Make-whole Call Calculation Agent** means [Timberland Securities Investment plc][Timberland Invest Ltd.].]

[**Make-whole Call Redemption Amount** has the meaning assigned to it in Clause 5.4.]

[**Make-whole Call Redemption Calculation Date** means the [sixth][●] Payment Business Day prior to the Make-whole Call Redemption Date.]

[**Make-whole Call Redemption Notice** has the meaning assigned to it in Clause 5.4.]

[**Make-whole Call Redemption Date** has the meaning assigned to it in Clause 5.4.]

**Malta** means the Republic of Malta.

[**Maturity Date** has the meaning assigned to it in Clause 5.1.]

**Noteholder** means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new holder in accordance with applicable law and the provisions of the Clearing System.

**Note(s)** has the meaning assigned to it in Clause 1.1.

[**OeKB CSD** means OeKB CSD GmbH Strauchgasse 1-3, 1010 Vienna, Republic of Austria.]

**Paying Agent[s]** means [Quirin Privatbank AG] [and] [●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

[**Permanent Global Note** has the meaning assigned to it in Clause 1.3.]

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [12.2][13.2].

[**Put Notice** has the meaning assigned to it in Clause 5.2.]

[**Put Redemption Amount(s)** means [[●] % of] the Principal Amount [[plus][minus] [*insert specified currency*] [●]].]

[**Put Redemption Date(s)** means [*insert date(s)*].]

[**Initial] Rate of Distributions** has the meaning assigned to it in Clause 3.1.

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 10.

[**SIX SIS AG** means SIX SIS AG, Baslerstrasse 100, 4601 Olten, Switzerland.]

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Clause 12.]

**Successor Currency** has the meaning assigned to it in Clause 4.3.

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

[**Temporary Global Note** has the meaning assigned to it in Clause 1.3.]

[**United States** or **U.S.** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

**Withholding Taxes** has the meaning assigned to it in Clause 8.1.

## IV. OPTION IV – TERMS AND CONDITIONS OF THE SUBORDINATED LUXEMBOURG FIXED RATE BEARER NOTES

The following is the text of the terms and conditions applicable to the subordinated Luxembourg fixed rate bearer notes. [The final terms and conditions of the subordinated Luxembourg fixed rate bearer notes will be an integral part of the respective global note.]

[The final terms and conditions of the subordinated Luxembourg fixed rate bearer notes, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Notes" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The subordinated Luxembourg fixed rate bearer notes are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### 1. Currency, Denomination, Form, Clearing System

##### 1.1 Issuer, Currency, Denomination

This tranche of subordinated fixed rate notes (the **Note(s)**) is being issued by Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**) in [Euro (**EUR**)] [Swedish Krona (**SEK**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [up to] [●] (in words: [●]) in the denomination of [EUR][SEK][*insert other currency code*] [1,000][●] [(or the equivalent in other currencies)] (the **Specified Denomination** or the **Principal Amount**).

##### 1.2 Form

The Notes are being issued in bearer form.

##### 1.3 Global Notes

[The Notes are represented by a permanent global note (the **Global Note**) without coupons. The Global Note shall bear the signatures of two authorised signatories of the Issuer [and shall be authenticated with a control signature of the Fiscal Agent]. Definitive Notes and coupons will not be issued.]

[(a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for a permanent global note (the **Permanent Global Note** and together with the Temporary Global Note, the **Global Notes** or a **Global Note**) without coupons. The Temporary Global Note and the Permanent Global Note shall bear the signatures of two authorised signatories of the Issuer [and shall each be authenticated with a control signature of the Fiscal Agent]. Definitive Notes and coupons will not be issued.]

[(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not later than 180 calendar days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 calendar days after the date of issue of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than

certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this sub-paragraph (b) of Clause 1.3. Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.]

## 1.4 Clearing System

The Global Notes will be kept in custody by or on behalf of a Clearing System as central depository for securities until[, in case of the Permanent Global Note,] all obligations of the Issuer under the Notes have been satisfied.

## 2. Status

The Notes constitute direct, [un]secured and subordinated obligations of the Issuer. [Unless expressly otherwise specified in the relevant Final Terms, the Notes are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the Notes.]

[[Qualified] [Subordination][subordination] clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

(A) junior to all present or future unsubordinated instruments or obligations of the Issuer[.];]

[(B) whereby:

[(i) All claims under the Notes, including but not limited to the claims for payment of the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount][, the Early Redemption Amount] and the payment of distributions, applying mutatis mutandis in accordance with section 19 para. (2) sentence 2 of the German Insolvency Code are subordinated to all claims of other current or future creditors in such a manner that any payments of principal and interest under the Notes may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, i.e. at the ranking position stipulated in section 39 para. (2) of the German Insolvency Code. A waiver with respect to the claims is not possible.]

[[ii)][●] Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.]

[[iii)][●] The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted or unable to pay its debts within applying mutatis mutandis the meaning of German insolvency law.

**The payment prohibition applies for an indefinite period until such time a fulfilment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. Consequently, claims arising from the Notes (including claims regarding principal and distribution) can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.]**

[[iv)][●] Paragraphs [(i)][●] [to] [(iii)][●] apply both before and after the opening of insolvency proceedings.]

[[v)] [●] In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.]

[[vi)] [●] For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole applying mutatis mutandis within the meaning of section 328 para. (2) of the German Civil Code. Any cancellation of this subordination agreement without the creditors' cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.]]

[[c)] [●] pari passu among themselves[;][.]]

[[d)] [●] senior to all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes[;][.]]

[[e)] [●] Pre-insolvency enforcement block/non-payment:

Definitions:

[Reason for opening insolvency proceedings refers to the inability to pay within the meaning of section 17 of the German Insolvency Code, imminent inability to pay within the meaning of section 18 of the German Insolvency Code and overindebtedness within the meaning of section 19 of the German Insolvency Code. Impending overindebtedness does not constitute reasons for opening insolvency proceedings.]

If and to the extent that the partial or complete satisfaction of one or more or all of the Noteholders' claims (e.g. repayment, interest and other ancillary claims) would give rise to at least one reason for opening insolvency proceedings against the Issuer, the Noteholder cannot enforce this claim or these claims in a legally binding manner outside of insolvency proceedings (payment ban for the Noteholder). The payment prohibition applies for an indefinite period until such time as the fulfillment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. This means that claims arising from the Notes can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.][insert other definition: [●]]

[Subordination Agreement:

In the event of insolvency proceedings on the assets of the Issuer or the liquidation of the Issuer, the claims arising from the Notes shall rank behind all non-subordinated claims and all subordinated claims within the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code.][insert other definition: [●]]]

### 3. Distributions

#### 3.1 [Relevant] Distribution Rate and Distribution Payment Dates

[In case the Notes are issued with a constant coupon insert and shall be redeemed on the Maturity Date: The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 4.5.]

[In case the Notes are issued with a constant coupon and shall be redeemed on the Initial Maturity Date, Extended Maturity Date or Final Maturity Date (at the latest) insert: (a) The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Initial Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) until (and excluding) the Initial Maturity Date. To the extent the Issuer does not exercise an option to extend the term of the Notes in accordance with Clause 5.1, the Notes shall, in respect of the relevant Extension Period, also bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Extended Maturity Rate of Distributions**).

(b) Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year and until (and excluding) the Initial Maturity Date, and, to the extent applicable, the Extended Maturity Date and/or Final Maturity Date (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Initial Maturity Date is [●] [(short last coupon)][(long last coupon)] and, to the extent applicable, the Distribution Payment Date preceding the Final Maturity Date is [●] [(short last coupon)][(long last coupon)]. The Initial Maturity Date, the Extended Maturity Date and the Final Maturity Date are also referred to as a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 4.5.]

[In case the Notes are issued with an increasing coupon insert: The Notes shall bear distributions on their Principle Amount at the relevant rate as set out in the table below (the **Relevant Rate of Distributions**). Distributions shall be scheduled to be paid for each distribution period (each such period, a **Distribution Period**) on a distribution payment date (each such date, a **Distribution Payment Date**), commencing on [●] (the **Distribution Commencement Date**) [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date.

<b>Distribution Period[s]</b> from (and including) to (but excluding)		<b>Distribution Payment Date[s]</b>	<b>Relevant Rate of Distribution[s]</b>
[specified dates]	[specified dates]	[specified dates]	[specified rates]
[●]	[●]	[●]	[●]

Distributions for each Distribution Period will fall due in accordance with the provisions as set out in Clause 4.5.]

### 3.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the [Initial] [Relevant] Rate of Distributions [and, for each Extension Period, the Extended Maturity Rate of Distribution] to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

### 3.3 Default Distributions

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate

of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## **4. Payments**

### **4.1 Payment of Principal**

Payment of principal on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

### **4.2 Payment of Distribution**

Payment of distributions on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System[, and in case of payment of distributions on Notes represented by a Temporary Global Note, upon due certification as provided for in Clause 1.3(b)].

### **4.3 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment.

### **4.4 Discharge**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

### **4.5 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **4.6 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Put Redemption Amount][, the Call Redemption Amount][, the Make-whole Call Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 8.1.

## **5. Redemption**

### **5.1 [Initial] Maturity Date [and Extended Maturity Date and Final Maturity Date]**

[(a)] [Subject to paragraph (b) and [unless]][Unless] previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the [Initial] Maturity Date).

[(b)] The Issuer may, at its option, on the Initial Maturity Date and on each Extended Maturity Date thereafter on which the Notes are outstanding, extend the term of the Notes to the next following Extended Maturity Date or the Final Maturity Date, as applicable, at the Extended Maturity Rate of Distribution in respect of the relevant Extension Period, but in no event beyond the Final Maturity Date.

(c) The Issuer will be deemed to have exercised its option to extend the term of the Notes to the next following Extended Maturity Date or Final Maturity Date, as applicable, unless the Issuer advises [the Fiscal Agent] [and] [the Paying Agent] [and] [the Clearing System] in writing to of its intention not to extend the term of the Notes at least [10][insert number of days] Payment Business Days prior to the Initial Maturity Date or the relevant Extended Maturity Date.

(d) In the event that the Issuer does not exercise an option to extend the term of the Notes, the Notes shall mature on the Initial Maturity Date or the relevant Extended Maturity Date or the Final Maturity Date.]

## 5.2 [No] Early Redemption at the Option of a Noteholder (Noteholder's Put)

[The Noteholders do not have a right to demand the early redemption of the Notes.]

[(a)] The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. *[in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert: The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 5.]*

(b) In order to exercise such option, the Noteholder must, not less than [[insert minimum number of days] Payment Business Day[s]] nor more than [[insert minimum number of days] Payment Business Day[s]] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] [[insert minimum period of notice to Issuer] Payment Business Day] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent and the Paying Agent[s] in the [English] [or] [German] language and includes further information. No option so exercised may be revoked or withdrawn.]

## 5.3 [No] Early Redemption at the Option of the Issuer (Issuer's Call)

[The Issuer does not have a right to redeem the Notes early.]

[(a)] The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify:

(i) the series number of the Notes (if applicable);

(ii) the Call Redemption Date [which shall be not less than *[insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]]* Payment Business Days *[in case of a maximum notice period insert: nor more than [insert number of days] Payment Business Days]* after the calendar day on which notice is given by the Issuer to the Noteholders]; and

(iii) the Call Redemption Amount at which the Notes are to be redeemed.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert:*

(c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 5.2.]]

#### **5.4 [No] Early Redemption at the Option of the Issuer (Make-whole Call Option)**

[The Issuer does not have a right to exercise the Make-whole Call Option and redeem the Notes early.]

[(a) The Issuer may at any time, upon notice given in accordance with subparagraph (c), redeem the Notes in whole, but not in part, on the Make-whole Call Redemption Date, a date specified in the Make-whole Call Redemption Notice (as mentioned in sub-paragraph (c)) and at the applicable Make-whole Call Redemption Amount.

(b) The Make-whole Call Redemption Amount of a Note shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant Note to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(c) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [15][*insert number of days*] Payment Business Days nor more than [15][*insert number of days*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders.

(d) The Issuer shall, not less than [15][*insert number of days*] calendar days before the giving of the notice referred to above, notify the Paying Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Payment Business Day immediately following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Paying Agent, and the Noteholders of the Make-whole Redemption Amount. All Notes in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Clause 5.4.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert:*

(e) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 5.2.]]

#### **5.5 [No] Early Redemption for Reasons of Taxation**

[The Issuer does not have a right to redeem the Notes early for reasons of taxation.]

[(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is required to pay Additional Amounts under Clause 8.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

## **6. Events of Default**

(a) Subject to Clause 2 (Status) and, in particular, subject to the qualified subordination clause and any pre-insolvency enforcement block set out therein, each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer fails to pay any amount which is due and payable and legally enforceable under the Notes within 30 calendar days from the relevant due date unless such non-payment results from, or is made in accordance with, the payment restrictions set out in Clause 2; or

(ii) the Issuer fails duly to perform any other material non-payment obligation arising from the Notes other than any obligation the performance of which is restricted by Clause 2, which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or

(iii) the Issuer suspends payment generally or announces its inability to pay its debts other than any non-payment or payment suspension made in accordance with Clause 2; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised. For the avoidance of doubt, any Early Redemption Amount, distributions or other amounts payable following a declaration under this Clause 8 remain subject to Clause 4. No [Noteholder] may demand, enforce or receive payment of any such amount to the extent payment is prohibited or restricted under Clause 2.

(b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the [English] [or] [German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice

is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **7. Fiscal Agent, Principal Agent**

### **7.1 Appointment, Specified Offices**

The initial Fiscal Agent, and the initial Principal Paying Agent[s] and their respective initial specified offices are:

#### **Initial Fiscal Agent:**

[Timberland Invest Ltd.  
171, Old Bakery Street,  
Valletta VLT 1455  
Malta]

[●]

#### **Initial Principal Paying Agent[s]:**

[Quirin Privatbank AG  
Schillerstraße 20  
60313 Frankfurt am Main  
Germany]

[●]

Where these Terms and Conditions refer to the term Paying Agent[s], such term shall include the Principal Paying Agent.

The Fiscal Agent and the Paying Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city][in *[insert city]*].

### **7.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time to vary or terminate the appointment of any Fiscal Agent, or any Paying Agent and to appoint another Fiscal Agent, additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent [(which may be the Paying Agent)] [,][and] (ii) so long as the Notes are listed on a stock exchange, a Paying Agent [(which may be the Fiscal Agent)] with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority][authorities] [*in case of payments in U.S. Dollars insert:* and (iii) if payments at or through the offices of [a][all] Paying Agent[s] outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. Dollars, a Paying Agent with a specified office in New York]. The Issuer will give notice to the Noteholders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

The Issuer undertakes, to the extent this is possible, to maintain a Paying Agent in a member state of the European Union in which it shall not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive 2003/48/EC.

### **7.3 Agents of the Issuer**

The Fiscal Agent, and the Paying Agent[s] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

#### **7.4 Determinations Binding**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith, inequity or manifest error) be binding on the Issuer, the Paying Agent[s], and the Noteholders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agent[s], or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **8. Taxation**

#### **8.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last calendar day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or

(e) are withheld or deducted in relation to a Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or

(f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or

(g) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution; or

(h) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 10, whichever occurs later.

## **8.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to Section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **8.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **9. Further Issues of Notes, Purchase and Cancellation**

### **9.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **9.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **9.3 Cancellation**

All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## **10. Notices**

### **10.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes [shall be][may be] published in [*insert relevant publication medium*] and in electronic form on the website of the Issuer [(<https://timberlandsecuritiesinvestmentplc.com>)] [*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof], in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[Notices to Noteholders [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Noteholder at his registered address and posted.]

### **10.2 Publication of Notices of the Issuer via the Clearing System**

If the publication of notices pursuant to Clause 10.1 is no longer required by law, the Issuer may, in lieu of publication in the media set forth in Clause 10.1, deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the [●] calendar day after the calendar day on which said notice was given to the Clearing System.

### **10.3 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English] [or] [German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) and by hand or mail. The Noteholder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Noteholder maintains a securities account in respect of the Notes that such Noteholder is, at the time such notice is given, the Noteholder of the relevant Notes, or (ii) in any other appropriate manner.

## **11. Meeting of Noteholders**

[Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.][The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).]

## **[12. Substitution of the Issuer**

The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Notes;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Notes without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Noteholders in respect of such taxes, duties or other charges imposed on the Noteholder in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Noteholders in accordance with Clause 10.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Clause 12 and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

[After the substitution(s) of the Issuer by a Substitute Issuer this Clause 12 shall apply again. In the event of such a substitution(s), every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.]]

## **12.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

## **[12.3 Further Substitution**

After a substitution pursuant to Clause 12.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Clause 12.1 and Clause 12.2 shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

## **[[12.3][12.4] Reverse Substitution**

After a substitution pursuant to Clause 12.1 [or Clause 12.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.]]

## **[12.][13.] Governing Law, Place of Jurisdiction and Enforcement**

### **[12.1][13.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except

for (i) the qualified subordination clause (if applicable) as governed by Clause 2 (*Status*), which shall be applying mutatis mutandis in the meaning to the laws of Germany (unless mandatory rules and laws of another EU member state apply) and (ii) Clause 11 (*Meeting of Noteholders*), which shall be subject to the laws of Luxembourg (unless mandatory rules and laws of another EU member state apply).

### **[12.2][13.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of [Duisburg, Germany][Luxembourg, Luxembourg][Valletta, Malta] shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 2 (*Status*) and the courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 11 (*Meeting of Noteholders*).

### **[12.3][13.3] Enforcement**

Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

### **[13.][14.] Definitions**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 8.1.

**[Applicable Premium]** means the excess, if any, of

- (i) the present value on such Make-whole Call Redemption Date of
  - (A) the Principal Amount of the relevant Note, plus
  - (B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Datediscounted with the Benchmark Yield plus 0.5 percentage points over
- (ii) the Principal Amount of such Note on the Make-whole Call Redemption Date.]

**Applicable Exchange Rate** means (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

[**Articles 470-3 – 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended from time to time (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).]

[**Benchmark Yield** means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption Calculation Date (or if such financial statistics are not so published or available, as apparent from any publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.]

**Business Day Financial Centre** means [*insert relevant financial centre*].

**Calculation Period** means any period of time in respect of the calculation of an amount of distributions on any Note.

[**Call Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof] [Distribution Payment Date thereafter].]

**Clearing System** means [Clearstream Luxembourg and Euroclear] [and/or] [Clearstream Europe] [and/or] [OeKB CSD] [Six SIS AG] [Euroclear Sweden AB] [Euronext Securities Milan (Monte Titoli S.P.A.)] and any successor in such capacity. [The Notes shall be kept in custody by a common depository on behalf of both ICSD.]

[**Clearstream Europe** means Clearstream Europe AG, The Cube, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.]

[**Clearstream Luxembourg** means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.]

**Code** has the meaning assigned to it in Clause 8.2.

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes (including the Clearing System).

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360] [the actual number of calendar days in the Calculation Period divided by 365].

**Distribution Commencement Date** has the meaning assigned to it in Clause 3.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 3.1.

[**Early Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Euroclear** means Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.]

[**Euroclear Sweden** means Euroclear Sweden AB, Klarabergsviadukten 63, 111 64 Stockholm, Sweden.]

[**Euronext Securities Milan** means Monte Titoli S.P.A. Piazza degli Affari 6, 20123 Milano, Italian Republic]

**Exchange Date** has the meaning assigned to it in Clause 1.3.

[**Extended Maturity Date** means the [*insert number of day*] day of [each] [month(s)] following the Initial Maturity Date, commencing [●] and ending [●].]

[**Extended Maturity Rate of Distributions** means [●] per cent. per annum.]

[**Extension Period** means (i) the period between the Initial Maturity Date and the first Extended Maturity Date or (ii) the period between each Extended Maturity Date to the next Extended Maturity Date or (iii) the period between the Extended Maturity Date preceding the Final Maturity Date to the Final Maturity Date (as applicable).]

**FATCA** has the meaning assigned to it in Clause 8.2.

[**Final Maturity Date** means [●].]

**Fiscal Agent[s]** means [Timberland Invest Ltd.] [and] [●].

[**Germany** means the Federal Republic of Germany.]

**Global Note[s]** has the meaning assigned to it in Clause 1.4.

[**ICSD** means Clearstream Luxembourg and Euroclear.]

[**Initial Maturity Date** has the meaning assigned to it in Clause 5.1.]

**Issuer** has the meaning assigned to it in Clause 1.1.

**Luxembourg** means the Grand Duchy of Luxembourg.

[**Make-whole Call Calculation Agent** means [Timberland Securities Investment plc][Timberland Invest Ltd.].]

[**Make-whole Call Redemption Amount** has the meaning assigned to it in Clause 5.4.]

[**Make-whole Call Redemption Calculation Date** means the [sixth][●] Payment Business Day prior to the Make-whole Call Redemption Date.]

[**Make-whole Call Redemption Notice** has the meaning assigned to it in Clause 5.4.]

[**Make-whole Call Redemption Date** has the meaning assigned to it in Clause 5.4.]

**Malta** means the Republic of Malta.

[**Maturity Date** has the meaning assigned to it in Clause 5.1.]

**Noteholder** means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new holder in accordance with applicable law and the provisions of the Clearing System.

**Note(s)** has the meaning assigned to it in Clause 1.1.

[**OeKB CSD** means OeKB CSD GmbH Strauchgasse 1-3, 1010 Vienna, Republic of Austria.]

**Paying Agent[s]** means [Quirin Privatbank AG] [and] [●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business

(including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

[**Permanent Global Note** has the meaning assigned to it in Clause 1.3.]

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [12.2][13.2].

[**Put Notice** has the meaning assigned to it in Clause 5.2.]

[**Put Redemption Amount(s)** means [[●] % of] the Principal Amount [[plus][minus] [*insert specified currency*] [●]].]

[**Put Redemption Date(s)** means [*insert date(s)*].]

[**Initial**] **Rate of Distributions** has the meaning assigned to it in Clause 3.1.

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 10.

[**SIX SIS AG** means SIX SIS AG, Baslerstrasse 100, 4601 Olten, Switzerland.]

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Clause 12.]

**Successor Currency** has the meaning assigned to it in Clause 4.3.

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

[**Temporary Global Note** has the meaning assigned to it in Clause 1.3.]

[**United States** or **U.S.** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).]

**Withholding Taxes** has the meaning assigned to it in Clause 8.1.

## V. OPTION V – TERMS AND CONDITIONS OF THE SENIOR LUXEMBOURG FIXED RATE REGISTERED NOTES

The following is the text of the terms and conditions applicable to the senior Luxembourg fixed rate registered notes.

[The final terms and conditions of the senior Luxembourg fixed rate registered notes, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Notes" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The senior Luxembourg fixed rate registered notes are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### 1. CURRENCY, DENOMINATION, FORM, TITLE

##### 1.1 Issuer, Currency, Denomination

This tranche of senior fixed rate notes (the **Note(s)**) is being issued by Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**) in [Euro (**EUR**)] [Swedish Krona (**SEK**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [up to] [●] (in words: [●]) in the denomination of [EUR][SEK][*insert other currency code*] [1,000][●] [(or the equivalent in other currencies)] (the **Specified Denomination** or the **Principal Amount**).

##### 1.2 Form

(a) The Notes are being fully issued in registered form and may under no circumstances be converted into notes in bearer form.

(b) The Issuer may issue Notes for no consideration to be held by the Issuer with a view to selling those Notes on the secondary market. All determinations made under these Terms and Conditions will reflect the fact that such Notes issued and directly held by the Issuer have been issued for no consideration (the issue price for those Notes will be deemed to be 0). So long as any Notes are held by the Issuer, any rights attached to such Notes (such as financial rights and voting rights) will be suspended.

(c) [The Notes are [not] clearable through any clearing system and [will][may][cannot (and will not)] be admitted to trading and/or listed on any stock exchange, regulated or unregulated market.]

(d) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of Noteholders of Notes (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.

(e) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).

(f) A Noteholder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Notes.

### 1.3 Title

- (a) Title to the Notes passes only by registration (*inscription*) in the Issuer Register.
- (b) Ownership in respect of the Notes is established by the registration in the Issuer Register.
- (c) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, the Issuer may deem and treat the person registered in the Issuer Register as absolute owner of the Notes for all purposes (whether or not the Note is overdue) and no person will be liable for so treating the Noteholder.
- (d) No transfer of a Note shall be recognised by the Issuer unless entered in the Register and the Issuer Register. In the case of discrepancies between the records of the Register and the Issuer Register, the latter shall prevail.

### 2. Transfers

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the registered Note in the form satisfactory to the Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonably require.
- (b) Registration of transfer of the Notes will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### 3. Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the Notes under Clause 7.2, to register the transfer of these Notes (or parts of these Notes) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. Status

The obligations under the Notes constitute [un]secured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all other, present and future, [un]secured and unsubordinated obligations of the Issuer [of the same ranking], unless such obligations are given priority under mandatory provisions of statutory law. [Unless expressly otherwise specified in the relevant Final Terms, the Notes are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the Notes.]

### 5. Distributions

#### 5.1 [Relevant] Distribution Rate and Distribution Payment Dates

[*In case the Notes are issued with a constant coupon and shall be redeemed on the Maturity Date insert:* The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions

shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

[In case the Notes are issued with a constant coupon and shall be redeemed on the Initial Maturity Date, Extended Maturity Date or Final Maturity Date (at the latest) insert: (a) The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Initial Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) until (and excluding) the Initial Maturity Date. To the extent the Issuer does not exercise an option to extend the term of the Notes in accordance with Clause 5.1, the Notes shall, in respect of the relevant Extension Period, also bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Extended Maturity Rate of Distributions**).

(b) Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year and until (and excluding) the Initial Maturity Date, and, to the extent applicable, the Extended Maturity Date and/or Final Maturity Date (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Initial Maturity Date is [●] [(short last coupon)][(long last coupon)] and, to the extent applicable, the Distribution Payment Date preceding the Final Maturity Date is [●] [(short last coupon)][(long last coupon)]. The Initial Maturity Date, the Extended Maturity Date and the Final Maturity Date are also referred to as a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

[In case the Notes are issued with an increasing coupon insert: The Notes shall bear distributions on their Principle Amount at the relevant rate as set out in the table below (the **Relevant Rate of Distributions**). Distributions shall be scheduled to be paid for each distribution period (each such period, a **Distribution Period**) on a distribution payment date (each such date, a **Distribution Payment Date**), commencing on [●] (the **Distribution Commencement Date**) [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date.

<b>Distribution Period[s]</b> from (and including) to (but excluding)		<b>Distribution Payment Date[s]</b>	<b>Relevant Rate of Distribution[s]</b>
[specified dates]	[specified dates]	[specified dates]	[specified rates]
[●]	[●]	[●]	[●]

Distributions for each Distribution Period will fall due in accordance with the provisions as set out in Clause 6.4.]

**5.2 Calculation of Amount of Distributions**

**5.3 Calculation of Amount of Distributions**

The amount of distributions shall be calculated by applying the [Initial] [Relevant] Rate of Distributions [and, for each Extension Period, the Extended Maturity Rate of Distribution] to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

## **5.4 Default of Distributions**

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## **6. Payments**

### **6.1 Payment of Principal and Distributions**

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder the details of which are recorded in the Register at a given time.

### **6.2 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment.

### **6.3 Discharge**

The Issuer shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Register.

### **6.4 Business Payment Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Put Redemption Amount][, the Call Redemption Amount][, the Make-whole Call Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## 7. Redemption

### 7.1 [Initial] Maturity Date [and Extended Maturity Date and Final Maturity Date]

[(a)] [Subject to paragraph (b) and [unless]][Unless] previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the [Initial] Maturity Date).

[(b)] The Issuer may, at its option, on the Initial Maturity Date and on each Extended Maturity Date thereafter on which the Notes are outstanding, extend the term of the Notes to the next following Extended Maturity Date or the Final Maturity Date, as applicable, at the Extended Maturity Rate of Distribution in respect of the relevant Extension Period, but in no event beyond the Final Maturity Date.

[(c)] The Issuer will be deemed to have exercised its option to extend the term of the Notes to the next following Extended Maturity Date or Final Maturity Date, as applicable, unless the Issuer advises the Fiscal Agent in writing to of its intention not to extend the term of the Notes at least [10][insert number of days] Payment Business Days prior to the Initial Maturity Date or the relevant Extended Maturity Date.

[(d)] In the event that the Issuer does not exercise an option to extend the term of the Notes, the Notes shall mature on the Initial Maturity Date or the relevant Extended Maturity Date or the Final Maturity Date.]

### 7.2 [No] Early Redemption at the Option of a Noteholder (Noteholder's Put)

[The Noteholders do not have a right to demand the redemption of the Notes early.]

[(a)] The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons insert:* The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 7.]

[(b)] In order to exercise such option, the Noteholder must, not less than [[insert minimum number of days] Payment Business Day[s]] nor more than [[insert minimum number of days] Payment Business Day[s]] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] [[insert minimum period of notice to Issuer] Payment Business Day] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English] [or] [German] language and includes further information. No option so exercised may be revoked or withdrawn.]

### 7.3 [No] Early Redemption at the Option of the Issuer (Issuer's Call)

[The Issuer does not have a right to redeem the Notes early.]

[(a)] The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:

(i) the series number of the Notes (if applicable);

(ii) the Call Redemption Date ]which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert: nor more than [insert number of days]*] Payment Business Days] after the calendar day on which notice is given by the Issuer to the Noteholders]; and

(iii) the Call Redemption Amount at which the Notes are to be redeemed.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert:*

(c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.]]

#### **7.4 [No] Early Redemption at the Option of the Issuer (Make-whole Call Option)**

[The Issuer does not have a right to exercise the Make-whole Call Option and redeem the Notes early.]

[(a) The Issuer may at any time, upon notice given in accordance with subparagraph (c), redeem the Notes in whole, but not in part, on the Make-whole Call Redemption Date, a date specified in the Make-whole Call Redemption Notice (as mentioned in sub-paragraph (c)) and at the applicable Make-whole Call Redemption Amount.

(b) The Make-whole Call Redemption Amount of a Note shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant Note to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(c) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [15][*insert number of days*] Payment Business Days nor more than [15][*insert number of days*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders.

(d) The Issuer shall, not less than [15][*insert number of days*] calendar days before the giving of the notice referred to above, notify the Fiscal Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Payment Business Day immediately following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Fiscal Agent, and the Noteholders of the Make-whole Redemption Amount. All Notes in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Clause 7.4.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert:*

(e) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.]]

## **7.5 [No] Early Redemption for Reasons of Taxation**

[The Issuer does not have a right to redeem the Notes early for reasons of taxation.]

[(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

## **8. Events of Default**

(a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or

(ii) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or

(iii) the Issuer suspends payment or announces its inability to pay its debts; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) declaration in the [English] [or] [German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **9. Fiscal Agent and Registrar and Transfer Agent**

## 9.1 Appointment, Specified Offices

The initial Fiscal Agent and the Registrar and Transfer Agent[s] and their respective initial specified offices are:

### Initial Fiscal Agent:

[Timberland Invest Ltd.  
171, Old Bakery Street,  
Valletta VLT 1455  
Malta]

[•]

### Registrar and Transfer Agent[s]:

[Timberland Securities Investment plc  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[•]

The Fiscal Agent and the Registrar and Transfer Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city][in [*insert city*]]. Each of the Fiscal Agent and the Registrar and Transfer Agent[s] may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

## 9.2 Variation or Termination of Appointment

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent and the Registrar and Transfer Agent[s], provided that the Issuer will at all times maintain a Fiscal Agent and a Registrar and Transfer Agent having a specified office in the European Union. Notice of any such change will promptly be given to the Noteholders in accordance with Clause 12.

## 9.3 Agents of the Issuer

Each of the Fiscal Agent and the Registrar and Transfer Agent[s] acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

## 10. Taxation

### 10.1 Withholding Taxes and Additional Amounts

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(d) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

## **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to Section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. Further Issues of Notes, Purchases and Cancellation**

### **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **11.3 Cancellation**

All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## **12. Notices**

## 12.1 Notices of the Issuer

All notices of the Issuer concerning the Notes [shall be][may be] published in [*insert relevant publication medium*] and in electronic form on the website of the Issuer [<https://timberlandsecuritiesinvestmentplc.com>][*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof], in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[Notices to Noteholders [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Noteholder at his registered address and posted.]

## 12.2 Form of Notice to be given by any Noteholder

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English] [or] [German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail.

## 13. Meeting of Noteholders

[Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.][The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).]

## [14. Substitution of the Issuer

### 14.1 Substitution

The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Notes;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Notes without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Noteholders in respect of such taxes, duties or other charges imposed on the Noteholder in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Noteholders in accordance with Clause 12.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Clause 14 and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

[After the substitution(s) of the Issuer by a Substitute Issuer this Clause 14 shall apply again. In the event of such a substitution(s), every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.]]

## **14.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

## **[14.3 Further Substitution**

After a substitution pursuant to Clause 14.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Clause 14.1 and Clause 14.2 shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

## **[[14.3][14.4] Reverse Substitution**

After a substitution pursuant to Clause 14.1 [or Clause 14.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.]]

## **[14.][15.] Governing Law, Place of Jurisdiction and Enforcement**

### **[14.1][15.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except

for Clause 13 (*Meeting of Noteholders*), which shall be subject to the laws of Luxembourg (unless mandatory rules and laws of another EU member state apply).

#### **[14.2][15.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of [Duisburg, Germany][Luxembourg, Luxembourg][Valletta, Malta] shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4 (*Ranking*) and the courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 13 (*Meeting of Noteholders*).

#### **[14.3][15.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, and (b) specifying the aggregate principal amount of the Notes. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

#### **[15.][16.] Definitions**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

[**Applicable Premium** means the excess, if any, of

- (i) the present value on such Make-whole Call Redemption Date of
  - (A) the Principal Amount of the relevant Note, plus
  - (B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Datediscounted with the Benchmark Yield plus 0.5 percentage points over
- (ii) the Principal Amount of such Note on the Make-whole Call Redemption Date.]

**Applicable Exchange Rate** means (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

[**Articles 470-3 – 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended from time to time (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).]

[**Benchmark Yield** means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption

Calculation Date (or if such financial statistics are not so published or available, as apparent from any publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.]

**Business Day Financial Centre** means [*insert relevant financial centre*].

**Calculation Period** means any period of time in respect of the calculation of an amount of distributions on any Note.

[**Call Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

**Code** has the meaning assigned to it in Clause 10.2.

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes (including the Clearing System).

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360] [the actual number of calendar days in the Calculation Period divided by 365].

**Distribution Commencement Date** has the meaning assigned to it in Clause 5.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 5.1.

**Early Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Extended Maturity Date** means the [*insert number of day*] day of [each] [month(s)] following the Initial Maturity Date, commencing [●] and ending [●].]

[**Extended Maturity Rate of Distributions** means [●] per cent. per annum.]

[**Extension Period** means (i) the period between the Initial Maturity Date and the first Extended Maturity Date or (ii) the period between each Extended Maturity Date to the next Extended Maturity Date or (iii) the period between the Extended Maturity Date preceding the Final Maturity Date to the Final Maturity Date (as applicable).]

**FATCA** has the meaning assigned to it in Clause 10.2.

[**Final Maturity Date** means [●].]

**Fiscal Agent[s]** means [Timberland Invest Ltd.][●].

[**Germany** means the Federal Republic of Germany.]

[**Initial Maturity Date** has the meaning assigned to it in Clause 7.1.]

**Issuer** has the meaning assigned to it in Clause 1.1.

**Issuer Register** has the meaning assigned to it in Clause 1.2(e).

**Luxembourg** means the Grand Duchy of Luxembourg.

[**Make-whole Call Calculation Agent** means [Timberland Securities Investment plc][Timberland Invest Ltd.].]

[**Make-whole Call Redemption Amount** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Calculation Date** means the [sixth][●] Payment Business Day prior to the Make-whole Call Redemption Date.]

[**Make-whole Call Redemption Notice** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Date** has the meaning assigned to it in Clause 7.4.]

**Malta** means the Republic of Malta.

[**Maturity Date** has the meaning assigned to it in Clause 7.1.]

**Noteholder** means each person holding one or more Note(s).

**Note(s)** has the meaning assigned to it in Clause 1.1.

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [14.2][15.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

[**Put Redemption Amount(s)** means [[●] % of] the Principal Amount [[plus][minus] [*insert specified currency*] [●]].]

[**Put Redemption Date(s)** means [*insert date(s)*].]

[**Initial Rate of Distributions** has the meaning assigned to it in Clause 5.1.]

**Register** has the meaning assigned to it in Clause 1.2(d).

**Registrar and Transfer Agent[s]** means [Timberland Securities Investment plc] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Clause 14.]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## VI. OPTION VI – TERMS AND CONDITIONS OF THE SUBORDINATED LUXEMBOURG FIXED RATE REGISTERED NOTES

The following is the text of the terms and conditions applicable to the subordinated Luxembourg fixed rate registered notes.

[The final terms and conditions of the subordinated Luxembourg fixed rate registered notes, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Notes" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The subordinated Luxembourg fixed rate registered notes are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### 1. CURRENCY, DENOMINATION, FORM, TITLE

##### 1.1 Issuer, Currency, Denomination

This tranche of subordinated fixed rate notes (the **Note(s)**) is being issued by Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**) in [Euro (**EUR**)] [Swedish Krona (**SEK**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [up to] [●] (in words: [●]) in the denomination of [EUR][SEK][*insert other currency code*] [1,000][●] [(or the equivalent in other currencies)] (the **Specified Denomination** or the **Principal Amount**).

##### 1.2 Form

- (a) The Notes are being fully issued in registered form and may under no circumstances be converted into notes in bearer form.
- (b) The Issuer may issue Notes for no consideration to be held by the Issuer with a view to selling those Notes on the secondary market. All determinations made under these Terms and Conditions will reflect the fact that such Notes issued and directly held by the Issuer have been issued for no consideration (the issue price for those Notes will be deemed to be 0). So long as any Notes are held by the Issuer, any rights attached to such Notes (such as financial rights and voting rights) will be suspended.
- (c) [The Notes are [not] clearable through any clearing system and [will][may][cannot (and will not)] be admitted to trading and/or listed on any stock exchange, regulated or unregulated market.]
- (d) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of Noteholders of Notes (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.
- (e) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).
- (f) A Noteholder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Notes.

### 1.3 Title

- (a) Title to the Notes passes only by registration (*inscription*) in the Issuer Register.
- (b) Ownership in respect of the Notes is established by the registration in the Issuer Register.
- (c) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, the Issuer may deem and treat the person registered in the Issuer Register as absolute owner of the Notes for all purposes (whether or not the Note is overdue) and no person will be liable for so treating the Noteholder.
- (d) No transfer of a Note shall be recognised by the Issuer unless entered in the Register and the Issuer Register. In the case of discrepancies between the records of the Register and the Issuer Register, the latter shall prevail.

### 2. Transfers

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the registered Note in the form satisfactory to the Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonably require.
- (b) Registration of transfer of the Notes will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### 3. Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the Notes under Clause 7.2, to register the transfer of these Notes (or parts of these Notes) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. Status

The Notes constitute direct, [un]secured and subordinated obligations of the Issuer. [Unless expressly otherwise specified in the relevant Final Terms, the Notes are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the Notes.]

[[Qualified] [Subordination][subordination] clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

(A) junior to all present or future unsubordinated instruments or obligations of the Issuer[.];]

[(B) whereby:

[(i) All claims under the Notes, including but not limited to the claims for payment of the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount][, the Early Redemption Amount] and the payment of distributions, applying mutatis mutandis in accordance with section 19 para. (2) sentence 2 of the German Insolvency Code are subordinated to all claims of other current or

future creditors in such a manner that any payments of principal and interest under the Notes may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, i.e. at the ranking position stipulated in section 39 para. (2) of the German Insolvency Code. A waiver with respect to the claims is not possible.]

[[ii)][●] Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.]

[[iii)][●] The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted or unable to pay its debts within applying mutatis mutandis the meaning of German insolvency law.

**The payment prohibition applies for an indefinite period until such time a fulfilment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. Consequently, claims arising from the Notes (including claims regarding principal and distribution) can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.]**

[[iv)][●] Paragraphs [(i)][●] [to] [(iii)][●] apply both before and after the opening of insolvency proceedings.]

[[v)][●] In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.]

[[vi)][●] For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole applying mutatis mutandis within the meaning of section 328 para. (2) of the German Civil Code. Any cancellation of this subordination agreement without the creditors' cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.]]

[[c)][●] pari passu among themselves[;][.]]

[[d)][●] senior to all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes[;][.]]

[[e)][●] Pre-insolvency enforcement block/non-payment:

Definitions:

[Reason for opening insolvency proceedings refers to the inability to pay within the meaning of section 17 of the German Insolvency Code, imminent inability to pay within the meaning of section 18 of the German Insolvency Code and overindebtedness within the meaning of section 19 of the German Insolvency Code. Impending overindebtedness does not constitute reasons for opening insolvency proceedings.

If and to the extent that the partial or complete satisfaction of one or more or all of the Noteholders' claims (e.g. repayment, interest and other ancillary claims) would give rise to at least one reason for opening insolvency proceedings against the Issuer, the Noteholder cannot enforce this claim or these claims in a legally binding manner outside of insolvency proceedings (payment ban for the Noteholder). The payment prohibition applies for an indefinite period until such time as the fulfillment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. This means that claims arising from the Notes can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.][insert other definition: [●]]

[Subordination Agreement:

In the event of insolvency proceedings on the assets of the Issuer or the liquidation of the Issuer, the claims arising from the Notes shall rank behind all non-subordinated claims and all subordinated claims within the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code.][insert other definition: [●]]]

## 5. Distributions

### 5.1 [Relevant] Distribution Rate and Distribution Payment Dates

*[In case the Notes are issued with a constant coupon and shall be redeemed on the Maturity Date insert:* The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

*[In case the Notes are issued with a constant coupon and shall be redeemed on the Initial Maturity Date, Extended Maturity Date or Final Maturity Date (at the latest) insert:* (a) The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Initial Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) until (and excluding) the Initial Maturity Date. To the extent the Issuer does not exercise an option to extend the term of the Notes in accordance with Clause 5.1, the Notes shall, in respect of the relevant Extension Period, also bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Extended Maturity Rate of Distributions**).

(b) Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year and until (and excluding) the Initial Maturity Date, and, to the extent applicable, the Extended Maturity Date and/or Final Maturity Date (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Initial Maturity Date is [●] [(short last coupon)][(long last coupon)] and, to the extent applicable, the Distribution Payment Date preceding the Final Maturity Date is [●] [(short last coupon)][(long last coupon)]. The Initial Maturity Date, the Extended Maturity Date and the Final Maturity Date are also referred to as a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

*[In case the Notes are issued with an increasing coupon insert:* The Notes shall bear distributions on their Principle Amount at the relevant rate as set out in the table below (the **Relevant Rate of Distributions**). Distributions shall be scheduled to be paid for each distribution period (each such period, a **Distribution Period**) on a distribution payment date (each such date, a **Distribution Payment Date**), commencing on [●] (the **Distribution Commencement Date**) [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date.

Distribution Period[s] from (and including) to (but excluding)	Distribution Payment Date[s]	Relevant Rate of Distribution[s]
--	---------------------------------	-------------------------------------

[specified dates]	[specified dates]	[specified dates]	[specified rates]
[•]	[•]	[•]	[•]

Distributions for each Distribution Period will fall due in accordance with the provisions as set out in Clause 6.4.]

## 5.2 Calculation of Amount of Distributions

## 5.3 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the [Initial] [Relevant] Rate of Distributions [and, for each Extension Period, the Extended Maturity Rate of Distribution] to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

## 5.4 Default of Distributions

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## 6. Payments

### 6.1 Payment of Principal and Distributions

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder the details of which are recorded in the Register at a given time.

### 6.2 Manner of Payment

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment.

### 6.3 Discharge

The Issuer shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Register.

### 6.4 Business Payment Day

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

## 6.5 References to Principal and Distributions

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Put Redemption Amount][, the Call Redemption Amount][, the Make-whole Call Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## 7. Redemption

### 7.1 [Initial] Maturity Date [and Extended Maturity Date and Final Maturity Date]

[(a) [Subject to paragraph (b) and [unless]][Unless] previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the [Initial] Maturity Date).

[(b) The Issuer may, at its option, on the Initial Maturity Date and on each Extended Maturity Date thereafter on which the Notes are outstanding, extend the term of the Notes to the next following Extended Maturity Date or the Final Maturity Date, as applicable, at the Extended Maturity Rate of Distribution in respect of the relevant Extension Period, but in no event beyond the Final Maturity Date.

(c) The Issuer will be deemed to have exercised its option to extend the term of the Notes to the next following Extended Maturity Date or Final Maturity Date, as applicable, unless the Issuer advises the Fiscal Agent in writing to of its intention not to extend the term of the Notes at least [10][*insert number of days*] Payment Business Days prior to the Initial Maturity Date or the relevant Extended Maturity Date.

(d) In the event that the Issuer does not exercise an option to extend the term of the Notes, the Notes shall mature on the Initial Maturity Date or the relevant Extended Maturity Date or the Final Maturity Date.]

### 7.2 [No] Early Redemption at the Option of a Noteholder (Noteholder's Put)

[The Noteholders do not have a right to demand the redemption of the Notes early.]

[(a) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons insert*: The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 7.]

(b) In order to exercise such option, the Noteholder must, not less than [[*insert minimum number of days*] Payment Business Day[s]] nor more than [[*insert minimum number of days*] Payment Business Day[s]] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●]

[[*insert minimum period of notice to Issuer*] Payment Business Day] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English] [or] [German] language and includes further information. No option so exercised may be revoked or withdrawn.]

### **7.3 [No] Early Redemption at the Option of the Issuer (Issuer's Call)**

[The Issuer does not have a right to redeem the Notes early.]

[(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:

(i) the series number of the Notes (if applicable);

(ii) the Call Redemption Date [which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days*: [*insert number of days*]] Payment Business Days [*in case of a maximum notice period insert*: nor more than [*insert number of days*] Payment Business Days] after the calendar day on which notice is given by the Issuer to the Noteholders]; and

(iii) the Call Redemption Amount at which the Notes are to be redeemed.

[*in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert*:

(c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.]]

### **7.4 [No] Early Redemption at the Option of the Issuer (Make-whole Call Option)**

[The Issuer does not have a right to exercise the Make-whole Call Option and redeem the Notes early.]

[(a) The Issuer may at any time, upon notice given in accordance with subparagraph (c), redeem the Notes in whole, but not in part, on the Make-whole Call Redemption Date, a date specified in the Make-whole Call Redemption Notice (as mentioned in sub-paragraph (c)) and at the applicable Make-whole Call Redemption Amount.

(b) The Make-whole Call Redemption Amount of a Note shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant Note to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(c) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [15][*insert number of days*] Payment Business Days nor more than [15][*insert number of days*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders.

(d) The Issuer shall, not less than [15][*insert number of days*] calendar days before the giving of the notice referred to above, notify the Fiscal Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Payment Business Day immediately following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Fiscal Agent, and the Noteholders of the Make-whole Redemption Amount. All Notes in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Clause 7.4.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder insert:*

(e) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.]]

### **7.5 [No] Early Redemption for Reasons of Taxation**

[The Issuer does not have a right to redeem the Notes early for reasons of taxation.]

[(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the [gent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

### **8. Events of Default**

Subject to Clause 2 (Status) and, in particular, subject to the qualified subordination clause and any pre-insolvency enforcement block set out therein, each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer fails to pay any amount which is due and payable and legally enforceable under the Notes within 30 calendar days from the relevant due date unless such non-payment results from, or is made in accordance with, the payment restrictions set out in Clause 4; or

(ii) the Issuer fails duly to perform any other material non-payment obligation arising from the Notes other than any obligation the performance of which is restricted by Clause 4 which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or

(iii) the Issuer suspends payment generally or announces its inability to pay its debts other than any non-payment or payment suspension made in accordance with Clause 4; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised. For the avoidance of doubt, any Early Redemption Amount, distributions or other amounts payable following a declaration under this Clause 8 remain subject to Clause 4. No Noteholder may demand, enforce or receive payment of any such amount to the extent payment is prohibited or restricted under Clause 4.

(b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the [English] [or] [German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **9. Fiscal Agent and Registrar and Transfer Agent**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent and the Registrar and Transfer Agent[s] and their respective initial specified offices are:

#### **Initial Fiscal Agent:**

[Timberland Invest Ltd.  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[●]

#### **Registrar and Transfer Agent[s]:**

[Timberland Securities Investment plc  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[●]

The Fiscal Agent and the Registrar and Transfer Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city][in [*insert city*]]. Each of the Fiscal Agent and the Registrar and Transfer Agent[s] may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

### **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent and the Registrar and Transfer Agent[s], provided that the Issuer will at all times maintain a Fiscal Agent and a Registrar and Transfer Agent

having a specified office in the European Union. Notice of any such change will promptly be given to the Noteholders in accordance with Clause 12.

### **9.3 Agents of the Issuer**

Each of the Fiscal Agent and the Registrar and Transfer Agent[s] acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

## **10. Taxation**

### **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(d) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

### **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to Section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

### **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. Further Issues of Notes, Purchases and Cancellation**

### **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **11.3 Cancellation**

All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## **12. Notices**

### **12.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes [shall be][may be] published in [*insert relevant publication medium*] and in electronic form on the website of the Issuer [(<https://timberlandsecuritiesinvestmentplc.com>)] [*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof], in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[Notices to Noteholders [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Noteholder at his registered address and posted.]

### **12.2 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English] [or] [German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail.

## **13. Meeting of Noteholders**

[Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.][The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).]

## **[14. Substitution of the Issuer**

### **14.1 Substitution**

The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Notes;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Notes without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Noteholders in respect of such taxes, duties or other charges imposed on the Noteholder in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Noteholders in accordance with Clause 12.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Clause 14 and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

[After the substitution(s) of the Issuer by a Substitute Issuer this Clause 14 shall apply again. In the event of such a substitution(s), every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.]]

## **14.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

#### **[14.3 Further Substitution**

After a substitution pursuant to Clause 14.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Clause 14.1 and Clause 14.2 shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

#### **[[14.3][14.4] Reverse Substitution**

After a substitution pursuant to Clause 14.1 [or Clause 14.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.]]

#### **[14.][15.] Governing Law, Place of Jurisdiction and Enforcement**

##### **[14.1][15.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for (i) the qualified subordination clause (if applicable) as governed by Clause 4 (*Status*), which shall be applying mutatis mutandis in the meaning to the laws of Germany (unless mandatory rules and laws of another EU member state apply) and (ii) Clause 11 (*Meeting of Noteholders*), which shall be subject to the laws of Luxembourg (unless mandatory rules and laws of another EU member state apply).

##### **[14.2][15.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of [Duisburg, Germany][Luxembourg, Luxembourg][Valletta, Malta] shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4 (*Status*) and the courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 13 (*Meeting of Noteholders*).

##### **[14.3][15.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, and (b) specifying the aggregate principal amount of the Notes. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

##### **[15.][16.] Definitions**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

**[Applicable Premium** means the excess, if any, of

- (i) the present value on such Make-whole Call Redemption Date of

- (A) the Principal Amount of the relevant Note, plus
- (B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Date

discounted with the Benchmark Yield plus 0.5 percentage points over

- (ii) the Principal Amount of such Note on the Make-whole Call Redemption Date.]

**Applicable Exchange Rate** means (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

[**Articles 470-3 – 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended from time to time (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).]

**Benchmark Yield** means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption Calculation Date (or if such financial statistics are not so published or available, as apparent from any publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.]

**Business Day Financial Centre** means [*insert relevant financial centre*].

**Calculation Period** means any period of time in respect of the calculation of an amount of distributions on any Note.

[**Call Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

**Code** has the meaning assigned to it in Clause 10.2.

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes (including the Clearing System).

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360] [the actual number of calendar days in the Calculation Period divided by 365].

**Distribution Commencement Date** has the meaning assigned to it in Clause 5.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 5.1.

**Early Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].

[**Extended Maturity Date** means the [*insert number of day*] day of [each] [month(s)] following the Initial Maturity Date, commencing [●] and ending [●].]

[**Extended Maturity Rate of Distributions** means [●] per cent. per annum.]

[**Extension Period** means (i) the period between the Initial Maturity Date and the first Extended Maturity Date or (ii) the period between each Extended Maturity Date to the next Extended Maturity Date or (iii) the period between the Extended Maturity Date preceding the Final Maturity Date to the Final Maturity Date (as applicable).]

**FATCA** has the meaning assigned to it in Clause 10.2.

[**Final Maturity Date** means [●].]

**Fiscal Agent** means [Timberland Invest Ltd.][●].

[**Germany** means the Federal Republic of Germany.]

[**Initial Maturity Date** has the meaning assigned to it in Clause 7.1.]

**Issuer** has the meaning assigned to it in Clause 1.1.

**Issuer Register** has the meaning assigned to it in Clause 1.2(e).

**Luxembourg** means the Grand Duchy of Luxembourg.

[**Make-whole Call Calculation Agent** means [Timberland Securities Investment plc][Timberland Invest Ltd.] [●].]

[**Make-whole Call Redemption Amount** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Calculation Date** means the [sixth][●] Payment Business Day prior to the Make-whole Call Redemption Date.]

[**Make-whole Call Redemption Notice** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Date** has the meaning assigned to it in Clause 7.4.]

**Malta** means the Republic of Malta.

[**Maturity Date** has the meaning assigned to it in Clause 7.1.]

**Noteholder** means each person holding one or more Note(s).

**Note(s)** has the meaning assigned to it in Clause 1.1.

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [14.2][15.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

**[Put Redemption Amount(s)]** means [[●] % of] the Principal Amount [[plus][minus] [*insert specified currency*] [●]].]

**[Put Redemption Date(s)]** means [*insert date(s)*].]

**[Initial] Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Register** has the meaning assigned to it in Clause 1.2(d).

**Registrar and Transfer Agent[s]** means [Timberland Securities Investment plc] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

**[Substitute Issuer]** has the meaning assigned to it in Clause 14.]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## VII. OPTION VII – TERMS AND CONDITIONS OF THE SENIOR MALTESE FIXED RATE REGISTERED [NOTES][BONDS]

The following is the text of the terms and conditions applicable to the senior Maltese fixed rate registered [notes][bonds].

[The final terms and conditions of the senior Maltese fixed rate registered [notes][bonds], including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the [Notes][Bonds]" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The senior Maltese fixed rate registered [notes][bonds] are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### 1. Currency, Denomination, Form, Title

##### 1.1 Issuer, Currency, Denomination

This tranche of senior fixed rate registered [notes][bonds] issued in dematerialised form (the [Note(s)][Bond(s)]) is being issued by Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**) in [Euro (EUR)][Swedish Krona (SEK)][British Pound (GBP)][Swiss Franc (CHF)][US Dollar (USD)][Hungarian Forint (HUF)][Polish Złoty (PLN)][Czech Koruna (CZK)][Croatian Kuna (HRK)][●] (the **Specified Currency**) in the aggregate principal amount of [up to] [●] (in words: [●]) in the denomination of [EUR][SEK] [*insert other currency code*] [1,000][●] (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

##### 1.2 Form

(a) The [Notes][Bonds] are being issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the Electronic Register maintained on behalf of the Issuer at the [Clearing System][CSD]. The [Notes][Bonds] may under no circumstances be converted into [Notes][Bonds] in bearer form.

For as long as any of the securities issued by the company shall be and remain dematerialised under the Financial Markets Act (Cap 345 of the Laws of Malta) the terms and conditions relating to such securities including without prejudice to the generality of the foregoing, their issuance, transfer, exchange, redemption and or cancellation shall be governed in accordance with the applicable rules and procedures set out by the relevant central securities depository providing dematerialisation and any other provision shall apply only to the extent that it is not inconsistent with such rules and procedures.

(b) Certificates will not be delivered to [Noteholders][Bondholders].

[(c) The [Clearing System][CSD] will issue, upon a request by a [Noteholder][Bondholder], a statement of holdings to such [Noteholder][Bondholder] evidencing his/her/its entitlement to the [Notes][Bonds] held in the register kept by the [Clearing System][CSD].]

##### 1.3 Title

(a) Ownership in respect of the [Notes][Bonds] is established by the appropriate entry in the electronic register maintained on behalf of the Issuer by the [Clearing System][CSD] (hereinafter, the **Electronic Register**). There will be entered in such Electronic Register the names, addresses, identity card numbers (in the case of natural persons) and registration numbers (in the case of companies) of the [Noteholders][Bondholders], as well as particulars of the [Notes][Bonds] held by them respectively. [Noteholders][Bondholders] shall have, at all reasonable times during business hours, access to the register of [Noteholders][Bondholders] held at the [Clearing System][CSD] for the purpose of inspecting information held on their respective account.

(b) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, any person in whose name a [Note][Bond] is registered in the Electronic Register may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such [Note][Bond] and no person will be liable for so treating the [Noteholder][Bondholder].

[(c) [No transfer of a [Note][Bond] shall be recognised by the Issuer unless entered in the Electronic Register.]

## **2. Transfers**

(a) A [Note][Bond] may be transferred by depositing at the specified office of the [Clearing System][CSD] a document evidencing the transfer of the [Note][Bond] in the form satisfactory to [Clearing System][CSD], the Issuer and/or the [Clearing System][CSD], together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as [Clearing System][CSD], the Issuer and/or the [Clearing System][CSD] may reasonably require.

(b) Registration of transfer of the [Notes][Bonds] will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

## **3. Closed Periods**

No [Noteholder][Bondholder] may require the transfer of a [Note][Bond] to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that [Note][Bond]. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the [Notes][Bonds] under Clause 7.2, to register the transfer of these [Notes][Bonds] (or parts of these [Notes][Bonds]) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

## **4. Status**

The obligations under the [Notes][Bonds] constitute [un]secured and unsubordinated obligations of the Issuer ranking pari passu without any preference among themselves and pari passu with all other, present and future, [un]secured and unsubordinated obligations of the Issuer [of equivalent ranking], unless such obligations are given priority under mandatory provisions of statutory law. [Unless expressly otherwise specified in the relevant Final Terms, the [Notes][Bonds] are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the [Notes][Bonds].]

## **5. Distributions**

### **5.1 [Relevant] Distribution Rate and Distribution Payment Dates**

[In case the Notes/Bonds are issued with a constant coupon and shall be redeemed on the Maturity Date insert: The [Notes][Bonds] shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid [[●], [annually]][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

[In case the Notes/Bonds are issued with a constant coupon and shall be redeemed on the Initial Maturity Date, Extended Maturity Date or Final Maturity Date (at the latest) insert: (a) The [Notes][Bonds] shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Initial Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) until (and excluding) the Initial Maturity Date. To the extent the Issuer does not exercise an option to extend the term of the [Notes][Bonds] in accordance with Clause 5.1, the [Notes][Bonds] shall, in respect of the relevant Extension Period, also bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Extended Maturity Rate of Distributions**).

(b) Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year and until (and excluding) the Initial Maturity Date, and, to the extent applicable, the Extended Maturity Date and/or Final Maturity Date (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Initial Maturity Date is [●] [(short last coupon)][(long last coupon)] and, to the extent applicable, the Distribution Payment Date preceding the Final Maturity Date is [●] [(short last coupon)][(long last coupon)]. The Initial Maturity Date, the Extended Maturity Date and the Final Maturity Date are also referred to as a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

[In case the Notes/Bonds are issued with an increasing coupon insert: The [Notes][Bonds] shall bear distributions on their Principle Amount at the relevant rate as set out in the table below (the **Relevant Rate of Distributions**). Distributions shall be scheduled to be paid for each distribution period (each such period, a **Distribution Period**) on a distribution payment date (each such date, a **Distribution Payment Date**), commencing on [●] (the **Distribution Commencement Date**) [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date.

Distribution Period[s] from (and including) to (but excluding)		Distribution Payment Date[s]	Relevant Rate of Distribution[s]
[specified dates]	[specified dates]	[specified dates]	[specified rates]
[●]	[●]	[●]	[●]

Distributions for each Distribution Period will fall due in accordance with the provisions as set out in Clause 6.4.]

## 5.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the [Initial] [Relevant] Rate of Distributions [and, for each Extension Period, the Extended Maturity Rate of Distribution] to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

### **5.3 Default Distributions**

The [Notes][Bonds] shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the [Notes][Bonds] are redeemed). If the Issuer fails to redeem the [Notes][Bonds] when due, distributions shall continue to accrue on the Principal Amount of the [Notes][Bonds] from and including the due date for redemption to but excluding the date of actual redemption of the [Notes][Bonds] at the default rate of distributions established by law. This does not affect any additional rights that might be available to the [Noteholders][Bondholders].

## **6. Payments**

### **6.1 Payment of Principal and Distributions**

Payment of principal and distributions on the [Notes][Bonds] shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant [Noteholder][Bondholder] communicated to the Issuer [in the application form].

### **6.2 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the [Notes][Bonds] shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the [Notes][Bonds] in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. [Noteholders][Bondholders] shall not be entitled to further interest or any additional amounts as a result of such payment.

### **6.3 Discharge**

The Issuer shall be discharged by payment to the account of the relevant [Noteholder][Bondholder] which is recorded in the Electronic Register.

### **6.4 Payment Business Day**

If the due date for any payment in respect of the [Notes][Bonds] would otherwise fall on a calendar day which is not a Payment Business Day, the [Noteholders][Bondholders] shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the [Notes][Bonds] shall be deemed to include, as applicable: the Principal Amount[, the Put Redemption Amount][, the Call Redemption Amount][, the Make-whole Call Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the [Notes][Bonds]. References in these Terms and Conditions to "distributions" in respect

of the [Notes][Bonds] shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## 7. Redemption

### 7.1 [Initial] Maturity Date [and Extended Maturity Date and Final Maturity Date]

[(a)] [Subject to paragraph (b) and [unless]][Unless] previously redeemed, or cancelled, the [Notes][Bonds] will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the [Initial] Maturity Date).

[(b)] The Issuer may, at its option, on the Initial Maturity Date and on each Extended Maturity Date thereafter on which the [Notes][Bonds] are outstanding, extend the term of the [Notes][Bonds] to the next following Extended Maturity Date or the Final Maturity Date, as applicable, at the Extended Maturity Rate of Distribution in respect of the relevant Extension Period, but in no event beyond the Final Maturity Date.

[(c)] The Issuer will be deemed to have exercised its option to extend the term of the [Notes][Bonds] to the next following Extended Maturity Date or Final Maturity Date, as applicable, unless the Issuer advises the Fiscal Agent in writing to of its intention not to extend the term of the [Notes][Bonds] at least [10][insert number of days] Payment Business Days prior to the Initial Maturity Date or the relevant Extended Maturity Date.

[(d)] In the event that the Issuer does not exercise an option to extend the term of the [Notes][Bonds], the [Notes][Bonds] shall mature on the Initial Maturity Date or the relevant Extended Maturity Date or the Final Maturity Date.]

### 7.2 [No] Early Redemption at the Option of a [Noteholder][Bondholder] ([Noteholder][Bondholder]'s Put)

[The [Noteholders][Bondholders] do not have a right to demand the redemption of the [Notes][Bonds] early.]

[(a)] The Issuer shall, at the option of a [Noteholder][Bondholder] of any [Note][Bond], redeem such [Note][Bond] on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. *[in case of the Early Redemption for Reasons of Taxation, or if the Notes/Bonds are subject to the Early Redemption at the Option of the Issuer for other than tax reasons insert: The [Noteholder][Bondholder] may not exercise such option in respect of any [Note][Bond] which is the subject of the prior exercise by the Issuer of any of its options to redeem such [Note][Bond] under Clause 7.]*

[(b)] In order to exercise such option, the [Noteholder][Bondholder] must, not less than *[[insert minimum number of days] Payment Business Days]* nor more than *[[insert minimum number of days] Payment Business Days]* before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] *[[insert minimum period of notice to Issuer] Payment Business Day]* before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the [Notes][Bonds] in respect of which such option is exercised, and (ii) the International Security Code of such [Notes][Bonds], if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English] [or] [German] language and includes further information. No option so exercised may be revoked or withdrawn.]

### 7.3 [No] Early Redemption at the Option of the Issuer (Issuer's Call)

[The Issuer does not have a right to redeem the [Notes][Bonds] early.]

(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the [Notes][Bonds] in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the [Noteholders][Bondholders] in accordance with Clause 12. Such notice shall be irrevocable and shall specify:

(i) the series number of the [Notes][Bonds] (if applicable);

(ii) the Call Redemption Date [which shall be not less than *[insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]]* Payment Business Days *[in case of a maximum notice period insert: nor more than [insert number of days]]* Payment Business Days] after the calendar day on which notice is given by the Issuer to the [Noteholders][Bondholders]; and

(iii) the Call Redemption Amount at which the [Notes][Bonds] are to be redeemed.

*[in case the Notes/Bonds are subject to the Early Redemption at the Option of a Noteholder/Bondholder insert:*

(c) The Issuer may not exercise such option in respect of any [Note][Bond] which is the subject of the prior exercise by the [Noteholder][Bondholder] thereof of its option to require the redemption of such [Note][Bond] under Clause 7.2.]]

#### **7.4 [No] Early Redemption at the Option of the Issuer (Make-whole Call Option)**

[The Issuer does not have a right to exercise the Make-whole Call Option and redeem the [Notes][Bonds] early.]

(a) The Issuer may at any time, upon notice given in accordance with subparagraph (c), redeem the [Notes][Bonds] in whole, but not in part, on the Make-whole Call Redemption Date, a date specified in the Make-whole Call Redemption Notice (as mentioned in sub-paragraph (c)) and at the applicable Make-whole Call Redemption Amount.

(b) The Make-whole Call Redemption Amount of a [Note][Bond] shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant [Note][Bond] to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(c) Notice of redemption shall be given by the Issuer to the [Noteholder][Bondholder] in accordance with Clause 12. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [15][*insert number of days*] Payment Business Days nor more than [15][*insert number of days*] Payment Business Days after the calendar day on which notice is given by the Issuer to the [Noteholders][Bondholders].

(d) The Issuer shall, not less than [15][*insert number of days*] calendar days before the giving of the notice referred to above, notify the Fiscal Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Payment Business Day immediately

following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Fiscal Agent, and the [Noteholder][Bondholder] of the Make-whole Redemption Amount. All [Notes][Bonds] in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Clause 7.4.

*[in case the Notes/Bonds are subject to the Early Redemption at the Option of a Noteholder/Bondholder insert:*

(e) The Issuer may not exercise such option in respect of any [Note][Bond] which is the subject of the prior exercise by the [Noteholder][Bondholder] thereof of its option to require the redemption of such Note under Clause 7.2.]]

### **7.5 [No] Redemption for Reasons of Taxation**

[The Issuer does not have a right to redeem the [Notes][Bonds] early for reasons of taxation.]

(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the [Notes][Bonds] was issued, the Issuer is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the [Notes][Bonds] may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the [Noteholders][Bondholders], at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the [Notes][Bonds] then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

### **8. Events of Default**

(a) Each [Noteholder][Bondholder] shall be entitled to declare his [Notes][Bonds] due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer fails to pay any amount due under the [Notes][Bonds] within 30 calendar days from the relevant due date; or

(ii) the Issuer fails duly to perform any other obligation arising from the [Notes][Bonds] which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a [Noteholder][Bondholder]; or

(iii) the Issuer suspends payment or announces its inability to pay its debts; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the [Notes][Bonds].

The right to declare [Notes][Bonds] due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(b) Any notice, including any notice declaring [Notes][Bonds] due, in accordance with subparagraph (a) shall be made by means of a written declaration in the [English] [or] [German] language and sent to the specified office of the Fiscal Agent together with proof that such [Noteholder][Bondholder] at the time of such notice is a holder of the relevant [Notes][Bonds] by means of a certificate of his Custodian or in other appropriate manner. The [Notes][Bonds] shall be redeemed following receipt of the notice declaring [Notes][Bonds] due.

## **9. Fiscal Agent and [Clearing System][Central Securities Depository (CSD)]**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent and the [Clearing System][Central Securities Depository (CSD)] and their respective initial specified offices are:

#### **Initial Fiscal Agent:**

[Timberland Invest Ltd.  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[●]

#### **[Clearing System][Central Securities Depository (CSD)]:**

Malta Stock Exchange  
Garrison Chapel  
Castille Place  
Valletta, VLT 1063  
Malta

[●]

The Fiscal Agent reserves the right at any time to change its respective specified office to some other specified office [in the same city][in *insert city*]. The Fiscal Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

### **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the [Noteholders][Bondholders], to vary or terminate the appointment of the Fiscal Agent, provided that the Issuer will at all times maintain a Fiscal Agent, having a specified office in the European Union. Notice of any such change will promptly be given to the [Noteholders][Bondholders] in accordance with Clause 12.

### **9.3 Agents of the Issuer**

The Fiscal Agent acts solely as agent of the Issuer and does not have any obligations towards or relationship of agency or trust to any [Noteholder][Bondholder].

## **10. Taxation**

### **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the [Notes][Bonds] shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the [Noteholders][Bondholders], after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a [Noteholder][Bondholder], or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(b) are payable by reason of the [Noteholder][Bondholder] having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the [Notes][Bonds] are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(d) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

### **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the [Notes][Bonds] shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a [Noteholder][Bondholder] in connection with any such compliance.

### **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. Further Issues of [Notes][Bonds][,] [Purchases] [and] [Cancellation]**

### **[11.1] Further Issues of [Notes][Bonds]**

The Issuer may from time to time, without the consent of the [Noteholders][Bondholders], issue further [Notes][Bonds] having the same terms as the [Notes][Bonds] in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the [Notes][Bonds].

### **[11.2 Purchases]**

The Issuer may at any time purchase [Notes][Bonds] in the open market or otherwise at any price. [Notes][Bonds] purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.]

### **[11.3 Cancellation]**

All [Notes][Bonds] redeemed in full shall be cancelled forthwith and may not be reissued or resold.]

## **12. Notices**

### **12.1 Notices to the Issuer**

All notices of the Issuer concerning the [Notes][Bonds] [shall be][may be] published in [*insert relevant publication medium*] and in electronic form on the website of the Issuer [<https://timberlandsecuritiesinvestmentplc.com>][*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof], in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[Notices to [Noteholders][Bondholders] [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such [Noteholder][Bondholder] at his registered address and posted.]

### **Form of Notice to be given by any [Noteholder][Bondholder]**

Notices regarding the [Notes][Bonds] which are to be given by any [Noteholder][Bondholder] to the Issuer shall be validly given if delivered in writing in [English] [or] [German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail.

## **13. Meeting of [Noteholders][Bondholders]**

[The Issuer may from time to time call meetings of [Noteholders][Bondholders] for the purpose of consultation with [Noteholders][Bondholders] or for the purpose of obtaining the consent of [Noteholders][Bondholders] on matters which in terms of the Final Terms or require the approval of a [Noteholders'] [Bondholders'] meeting and to effect any change to the applicable Terms and Conditions of the [Notes][Bonds].

A meeting of [Noteholders][Bondholders] shall be called by the Directors of the Issuer by giving not less than [twenty-one (21)][●] days' notice in writing by giving all [Noteholders][Bondholders] listed on the register of [Noteholders][Bondholders] as at a date being not more than [thirty (30) days][●] preceding the date scheduled for the meeting, not less than [fourteen (14) days][●] notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed

or decided thereat, including, if applicable, sufficient information on any amendment to the Terms and Conditions that is proposed to be voted upon at the meeting and seeking the approval of the [Noteholders][Bondholders]. Following a meeting of [Noteholders][Bondholders] held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the [Noteholders][Bondholders] whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the [Noteholders][Bondholders] in accordance with the provisions of this Clause 13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer. The amendment or waiver of any of the Terms and Conditions may only be made with the approval of [Noteholders][Bondholders] at a meeting called and held for that purpose in accordance with the terms hereof. A meeting of [Noteholders][Bondholders] shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two [Noteholders][Bondholders] present, in person or by proxy, representing not less than [fifty per cent. (51.01%)] [●] in nominal value of the [Notes][Bonds] then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors of the Issuer to the [Noteholders][Bondholders] present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than [fifteen (15) days] [●], following the original meeting. At an adjourned meeting: the number of [Noteholders][Bondholders] present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of [Noteholders][Bondholders].

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions which are required to be taken at the meeting, the Directors of the Issuer or their representative shall present to the [Noteholders][Bondholders] the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to [Noteholders][Bondholders] to present their views to the Issuer and the other [Noteholders][Bondholders] present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the [Noteholders][Bondholders] present at the time at which the vote is being taken, and any [Noteholders][Bondholders] taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

[The voting process shall be managed by [the person] [or] [company] in charge as of the Issuer under the supervision and scrutiny of the Board of Directors.]

The proposal placed before a meeting of [Noteholders][Bondholders] shall only be considered approved if at least [fifty-one per cent. (51%)] [●] in nominal value of the [Noteholders][Bondholders] present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of [Noteholders][Bondholders].]

## **[14. Substitution of the Issuer**

### **14.1 Substitution**

The Issuer shall be entitled at any time, without the consent of the [Noteholders][Bondholders], if no payment of principal of any of the [Notes][Bonds] is in default, to substitute for itself as the Issuer

another person (the **Substitute Issuer**) as principle debtor) under all [Notes][Bonds] in respect of any and all obligations arising from and in connection with the [Notes][Bonds] in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the [Notes][Bonds]) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the [Noteholders][Bondholders] and the Substitute Issuer has agreed to indemnify and hold harmless each [Noteholder][Bondholder] against any tax, duty, assessment or governmental charge imposed on such [Noteholder][Bondholder] in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the [Notes][Bonds];

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the [Notes][Bonds] without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the [Noteholders][Bondholders] in respect of such taxes, duties or other charges imposed on the [Noteholder][Bondholder] in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the [Noteholders][Bondholders] in accordance with Clause 12.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the [Notes][Bonds] after the substitution(s). The [Noteholders][Bondholders], by subscribing for, or otherwise acquiring, the [Notes][Bonds], are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Clause 14 and to the release of the Issuer from any and all obligations in respect of the relevant [Notes][Bonds] and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

[After the substitution(s) of the Issuer by a Substitute Issuer this Clause 14 shall apply again. In the event of such a substitution(s), every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.]

## **14.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

#### **[14.3 Further Substitution**

After a substitution pursuant to Clause 14.1, the Substitute Issuer may, without the consent of any [Noteholders][Bondholders], effect a further substitution. All the provisions specified in Clause 14.1 and Clause 14.2 shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

#### **[[14.3][14.4] Reverse Substitution**

After a substitution pursuant to Clause 14.1 [or Clause 14.3] any the Substitute Issuer may, without the consent of any [Noteholder][Bondholder], reverse the substitution, mutatis mutandis.]]

#### **[14.][15.] General**

For as long as the [Notes][Bonds] remain in dematerialised form, these terms and conditions, including the terms applicable to issuance, transfer, exchange, redemption and/or cancellation of the [Notes][Bonds] shall be subject to the applicable rules and procedures set out by the [Clearing System][CSD] (the **CSD Rules**) and in the event of inconsistency between these terms and conditions and the CSD Rules, the CSD Rules shall prevail. Any amendment, variation or deletion of this clause shall be subject to the express written approval of the [Clearing System][CSD] to be obtained prior to the approval of the [Noteholders][Bondholders].

#### **[15.][16.] Governing Law, Place of Jurisdiction and Enforcement**

##### **[15.1][16.1] Governing Law**

The [Notes][Bonds], as to form and content, and all rights and obligations of the [Noteholders][Bondholders] and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Maltese law.

##### **[15.2][16.2] Place of Jurisdiction**

The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the [Notes][Bonds].

##### **[15.3][16.3] Enforcement**

Any [Noteholder][Bondholder] may in any Proceedings against the Issuer, or to which such [Noteholder][Bondholder] and the Issuer are parties, protect and enforce in its own name its rights arising under such [Notes][Bonds] (a) stating the full name and address of the [Noteholder][Bondholder] and (b) specifying the aggregate principal amount of the [Notes][Bonds]. Each [Noteholder][Bondholder] may, without prejudice to the foregoing, protect and enforce its rights under the [Notes][Bonds] also in any other way which is admitted in the country of the Proceedings.

#### **[16.][17.] Definitions**

For the purposes of the [Notes][Bonds], the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

[**Applicable Premium** means the excess, if any, of

- (i) the present value on such Make-whole Call Redemption Date of
  - (A) the Principal Amount of the relevant Note, plus
  - (B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Datediscounted with the Benchmark Yield plus 0.5 percentage points over
- (ii) the Principal Amount of such Note on the Make-whole Call Redemption Date.]

**Applicable Exchange Rate** means (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

[**Benchmark Yield** means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption Calculation Date (or if such financial statistics are not so published or available, as apparent from any publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.]

**Business Day Financial Centre** means [*insert relevant financial centre(s)*].

**Calculation Period** means any period of time in respect of the calculation of an amount of distributions on any [Note][Bond].

[**Call Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

[**Clearing System** means the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Republic of Malta.]

**Code** has the meaning assigned to it in Clause 10.2.

[**CSD** means the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Republic of Malta.]

**CSD Rules** has the meaning assigned to it in Clause [14][15].

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the [Noteholder][Bondholder] maintains a securities account in respect of the [Notes][Bonds] and includes the [Clearing System][CSD].

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360] [the actual number of calendar days in the Calculation Period divided by 365].

[**Directors of the Issuer** means the Members of the Board of Directors as legal representatives of the Issuer as defined in the Memorandum and Articles of Association, as amended from time to time.]

**Distribution Commencement Date** has the meaning assigned to it in Clause 5.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 5.1.

**Early Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].

**Electronic Register** has the meaning assigned to it in Clause 1.3.

[**Extended Maturity Date** means the [*insert number of day*] day of [each] [month(s)] following the Initial Maturity Date, commencing [●] and ending [●].]

[**Extended Maturity Rate of Distributions** means [●] per cent. per annum.]

[**Extension Period** means (i) the period between the Initial Maturity Date and the first Extended Maturity Date or (ii) the period between each Extended Maturity Date to the next Extended Maturity Date or (iii) the period between the Extended Maturity Date preceding the Final Maturity Date to the Final Maturity Date (as applicable).]

**FATCA** has the meaning assigned to it in Clause 10.2.

[**Final Maturity Date** means [●].]

**Fiscal Agent** means [Timberland Invest Ltd.][●].

[**Initial Maturity Date** has the meaning assigned to it in Clause 7.1.]

**Issuer** has the meaning assigned to it in Clause 1.1.

[**Make-whole Call Calculation Agent** means [Timberland Securities Investment plc][Timberland Invest Ltd.].]

[**Make-whole Call Redemption Amount** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Calculation Date** means the [sixth][●] Payment Business Day prior to the Make-whole Call Redemption Date.]

[**Make-whole Call Redemption Notice** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Date** has the meaning assigned to it in Clause 7.4.]

**Malta** means the Republic of Malta.

[**Maturity Date** has the meaning assigned to it in Clause 7.1.]

[**Noteholder**][**Bondholder**] means each person holding one or more [Note(s)][Bond(s)].

[**Note(s)**][**Bond(s)**] has the meaning assigned to it in Clause 1.1.

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [15.2][16.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

[**Put Redemption Amount(s)** means [[●] % of] the Principal Amount [[plus][minus] [*insert specified currency*] [●]].]

[**Put Redemption Date(s)** means [*insert date(s)*].]

[**Initial] Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the [Noteholder][Bondholder] in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the [Noteholders][Bondholders] by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Clause 12.]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## VIII. OPTION VIII – TERMS AND CONDITIONS OF THE SUBORDINATED MALTESE FIXED RATE REGISTERED [NOTES][BONDS]

The following is the text of the terms and conditions applicable to the subordinated Maltese fixed rate registered [notes][bonds].

[The final Terms and Conditions of the subordinated Maltese fixed rate registered [notes][bonds], including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the [Notes][Bonds]" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The subordinated Maltese fixed rate registered [notes][bonds] are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### 1. Currency, Denomination, Form, Title

##### 1.1 Issuer, Currency, Denomination

This tranche of subordinated fixed rate registered [notes][bonds] issued in dematerialised form (the [Note(s)][Bond(s)]) is being issued by Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**) in [Euro (EUR)][Swedish Krona (SEK)][British Pound (GBP)][Swiss Franc (CHF)][US Dollar (USD)][Hungarian Forint (HUF)][Polish Złoty (PLN)][Czech Koruna (CZK)][Croatian Kuna (HRK)][●] (the **Specified Currency**) in the aggregate principal amount of [up to] [●] (in words: [●]) in the denomination of [EUR][SEK] [*insert other currency code*] [1,000][●] (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

##### 1.2 Form

(a) The [Notes][Bonds] are being issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the Electronic Register maintained on behalf of the Issuer at the [Clearing System][CSD]. The [Notes][Bonds] may under no circumstances be converted into [Notes][Bonds] in bearer form.

For as long as any of the securities issued by the company shall be and remain dematerialised under the Financial Markets Act (Cap 345 of the Laws of Malta) the terms and conditions relating to such securities including without prejudice to the generality of the foregoing, their issuance, transfer, exchange, redemption and or cancellation shall be governed in accordance with the applicable rules and procedures set out by the relevant central securities depository providing dematerialisation and any other provision shall apply only to the extent that it is not inconsistent with such rules and procedures.

(b) Certificates will not be delivered to [Noteholders][Bondholders].

[(c) The [Clearing System][CSD] will issue, upon a request by a [Noteholder][Bondholder], a statement of holdings to such [Noteholder][Bondholder] evidencing his/her/its entitlement to the [Notes][Bonds] held in the register kept by the [Clearing System][CSD].]

### 1.3 Title

(a) Ownership in respect of the [Notes][Bonds] is established by the appropriate entry in the electronic register maintained on behalf of the Issuer by the [Clearing System][CSD] (hereinafter, the **Electronic Register**). There will be entered in such Electronic Register the names, addresses, identity card numbers (in the case of natural persons) and registration numbers (in the case of companies) of the [Noteholders][Bondholders], as well as particulars of the [Notes][Bonds] held by them respectively. [Noteholders][Bondholders] shall have, at all reasonable times during business hours, access to the register of [Noteholders][Bondholders] held at the [Clearing System][CSD] for the purpose of inspecting information held on their respective account.

(b) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, any person in whose name a [Note][Bond] is registered in the Electronic Register may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such [Note][Bond] and no person will be liable for so treating the [Noteholder][Bondholder].

[(c) [No transfer of a [Note][Bond] shall be recognised by the Issuer unless entered in the Electronic Register.]

### 2. Transfers

(a) A [Note][Bond] may be transferred by depositing at the specified office of the [Clearing System][CSD] a document evidencing the transfer of the [Note][Bond] in the form satisfactory to [Clearing System][CSD], the Issuer and/or the [Clearing System][CSD], together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as [Clearing System][CSD], the Issuer and/or the [Clearing System][CSD] may reasonably require.

(b) Registration of transfer of the [Notes][Bonds] will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### 3. Closed Periods

No [Noteholder][Bondholder] may require the transfer of a [Note][Bond] to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that [Note][Bond]. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the [Notes][Bonds] under Clause 7.2, to register the transfer of these [Notes][Bonds] (or parts of these [Notes][Bonds]) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. Status

The [Notes][Bonds] constitute direct[, unsecured] and subordinated obligations of the Issuer. [Unless expressly otherwise specified in the relevant Final Terms, the [Notes][Bonds] are not secured. Where security is specified in the relevant Final Terms, the nature, scope, jurisdiction, ranking and enforcement of such security shall be as set out in the Final Terms; any such security does not enhance the seniority of the claims under the [Notes][Bonds].]

[[Qualified] subordination clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the [Notes][Bonds] will rank:

(a) junior to all present or future unsubordinated instruments or obligations of the Issuer[.];]

[(b) whereby:

[(i)] All claims under the [Notes][Bonds], including but not limited to the claims for payment of the Principal Amount[, the Call Redemption Amount] [, the Put Redemption Amount] [, the Early Redemption Amount] and the payment of distributions, applying mutatis mutandis in accordance with section 19 para. (2) sentence 2 of the German Insolvency Code are subordinated to all claims of other current or future creditors in such a manner that any payments of principal and interest under the [Notes][Bonds] may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, i.e. at the ranking position stipulated in section 39 para. (2) of the German Insolvency Code. A waiver with respect to the claims is not possible.]

[[ii)][●] Payments under the [Notes][Bonds] may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.]

[[iii)][●] The [Noteholders][Bondholders] may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted or unable to pay its debts within applying mutatis mutandis the meaning of German insolvency law.

**The payment prohibition applies for an indefinite period until such time a fulfilment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. Consequently, claims arising from the [Notes][Bonds] (including claims regarding principal and distribution) can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.]**

[[iv)][●] Paragraphs [(i)][●] [to] [(iii)][●] apply both before and after the opening of insolvency proceedings.]

[[v)][●] In all other respects, the [Noteholders][Bondholders] are entitled without restriction to assert their rights under the [Notes][Bonds] and to claim performance.]

[[vi)][●] For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole applying mutatis mutandis within the meaning of section 328 para. (2) of the German Civil Code. Any cancellation of this subordination agreement without the creditors' cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.]]

[(c)][●] pari passu among themselves[;][.]]

[(d)][●] senior to all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the [Notes][Bonds][;][.]]

[(e)][●] Pre-insolvency enforcement block/non-payment:

Definitions:

[Reason for opening insolvency proceedings refers to the inability to pay within the meaning of section 17 of the German Insolvency Code, imminent inability to pay within the meaning of section 18 of the German Insolvency Code and overindebtedness within the meaning of section 19 of the German Insolvency Code. Impending overindebtedness does not constitute reasons for opening insolvency proceedings.

If and to the extent that the partial or complete satisfaction of one or more or all of the [Noteholders'] [Bondholders'] claims (e.g. repayment, interest and other ancillary claims) would give rise to at least one reason for opening insolvency proceedings against the Issuer, the [Noteholder] [Bondholder] cannot enforce this claim or these claims in a legally binding manner outside of insolvency proceedings (payment ban for the [Noteholder] [Bondholder]). The payment prohibition applies for an indefinite period until such time as the fulfillment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. This means that claims arising from the [Notes] [Bonds] can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted. *[insert other definition: [●]]*

[Subordination Agreement:

In the event of insolvency proceedings on the assets of the Issuer or the liquidation of the Issuer, the claims arising from the [Notes] [Bonds] shall rank behind all non-subordinated claims and all subordinated claims within the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code. *[insert other definition: [●]]*]

## 5. Distributions

### 5.1 [Relevant] Distribution Rate and Distribution Payment Dates

*[In case the Notes/Bonds are issued with a constant coupon and shall be redeemed on the Maturity Date insert:* The [Notes] [Bonds] shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid [[●], [annually]] [semi-annually] [quarterly] [●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)] [(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)] [(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

*[In case the Notes/Bonds are issued with a constant coupon and shall be redeemed on the Initial Maturity Date, Extended Maturity Date or Final Maturity Date (at the latest) insert:* (a) The [Notes] [Bonds] shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Initial Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) until (and excluding) the Initial Maturity Date. To the extent the Issuer does not exercise an option to extend the term of the [Notes] [Bonds] in accordance with Clause 5.1, the [Notes] [Bonds] shall, in respect of the relevant Extension Period, also bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Extended Maturity Rate of Distributions**).

(b) Distributions shall be scheduled to be paid [annually] [semi-annually] [quarterly] [●] in arrears on [●] in each year and until (and excluding) the Initial Maturity Date, and, to the extent applicable, the Extended Maturity Date and/or Final Maturity Date (each such date, a **Distribution Payment Date**), commencing on [●] [(short first coupon)] [(long first coupon)]. The Distribution Payment Date immediately preceding the Initial Maturity Date is [●] [(short last coupon)] [(long last coupon)] and, to the extent applicable, the Distribution Payment Date preceding the Final Maturity Date is [●] [(short last coupon)] [(long last coupon)]. The Initial Maturity Date, the Extended Maturity Date and the Final Maturity Date are also referred to as a Distribution Payment Date. Distributions will fall due in accordance with the provisions set out in Clause 6.4.]

*[In case the Notes/Bonds are issued with an increasing coupon insert:* The [Notes] [Bonds] shall bear distributions on their Principle Amount at the relevant rate as set out in the table below (the **Relevant Rate of Distributions**). Distributions shall be scheduled to be paid for each distribution period (each such period, a **Distribution Period**) on a distribution payment date (each such date, a **Distribution**

**Payment Date**), commencing on [●] (the **Distribution Commencement Date**) [(short first coupon)][(long first coupon)]. The Distribution Payment Date immediately preceding the Maturity Date is [●] [(short last coupon)][(long last coupon)], whereas the Maturity Date is also a Distribution Payment Date.

<b>Distribution Period[s]</b> from (and including) to (but excluding)		<b>Distribution Payment Date[s]</b>	<b>Relevant Rate of Distribution[s]</b>
[specified dates]	[specified dates]	[specified dates]	[specified rates]
[●]	[●]	[●]	[●]

Distributions for each Distribution Period will fall due in accordance with the provisions as set out in Clause 6.4.]

## 5.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the [Initial] [Relevant] Rate of Distributions [and, for each Extension Period, the Extended Maturity Rate of Distribution] to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

## 5.3 Default Distributions

The [Notes][Bonds] shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the [Notes][Bonds] are redeemed). If the Issuer fails to redeem the [Notes][Bonds] when due, distributions shall continue to accrue on the Principal Amount of the [Notes][Bonds] from and including the due date for redemption to but excluding the date of actual redemption of the [Notes][Bonds] at the default rate of distributions established by law. This does not affect any additional rights that might be available to the [Noteholders][Bondholders].

## 6. Payments

### 6.1 Payment of Principal and Distributions

Payment of principal and distributions on the [Notes][Bonds] shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant [Noteholder][Bondholder] communicated to the Issuer [in the application form].

### 6.2 Manner of Payment

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the [Notes][Bonds] shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the [Notes][Bonds] in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. [Noteholders][Bondholders] shall not be entitled to further interest or any additional amounts as a result of such payment.

### 6.3 Discharge

The Issuer shall be discharged by payment to the account of the relevant [Noteholder][Bondholder] which is recorded in the Electronic Register.

### 6.4 Payment Business Day

If the due date for any payment in respect of the [Notes][Bonds] would otherwise fall on a calendar day which is not a Payment Business Day, the [Noteholders][Bondholders] shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### 6.5 References to Principal and Distributions

References in these Terms and Conditions to "principal" in respect of the [Notes][Bonds] shall be deemed to include, as applicable: the Principal Amount[, the Put Redemption Amount][, the Call Redemption Amount][, the Make-whole Call Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the [Notes][Bonds]. References in these Terms and Conditions to "distributions" in respect of the [Notes][Bonds] shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## 7. Redemption

### 7.1 [Initial] Maturity Date [and Extended Maturity Date and Final Maturity Date]

[(a)] [Subject to paragraph (b) and [unless]][[Unless] previously redeemed, or cancelled, the [Notes][Bonds] will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the [Initial] Maturity Date).

[(b)] The Issuer may, at its option, on the Initial Maturity Date and on each Extended Maturity Date thereafter on which the [Notes][Bonds] are outstanding, extend the term of the [Notes][Bonds] to the next following Extended Maturity Date or the Final Maturity Date, as applicable, at the Extended Maturity Rate of Distribution in respect of the relevant Extension Period, but in no event beyond the Final Maturity Date.

[(c)] The Issuer will be deemed to have exercised its option to extend the term of the [Notes][Bonds] to the next following Extended Maturity Date or Final Maturity Date, as applicable, unless the Issuer advises the Fiscal Agent in writing to of its intention not to extend the term of the [Notes][Bonds] at least [10][insert number of days] Payment Business Days prior to the Initial Maturity Date or the relevant Extended Maturity Date.

[(d)] In the event that the Issuer does not exercise an option to extend the term of the [Notes][Bonds], the [Notes][Bonds] shall mature on the Initial Maturity Date or the relevant Extended Maturity Date or the Final Maturity Date.]

### 7.2 [No] Early Redemption at the Option of a [Noteholder][Bondholder] ([Noteholder][Bondholder]'s Put)

[The [Noteholders][Bondholders] do not have a right to demand the redemption of the [Notes][Bonds] early.]

[(a)] The Issuer shall, at the option of a [Noteholder][Bondholder] of any [Note][Bond], redeem such [Note][Bond] on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption*

*for Reasons of Taxation, or if the Notes/Bonds are subject to the Early Redemption at the Option of the Issuer for other than tax reasons insert:* The [Noteholder][Bondholder] may not exercise such option in respect of any [Note][Bond] which is the subject of the prior exercise by the Issuer of any of its options to redeem such [Note][Bond] under Clause 7.]

(b) In order to exercise such option, the [Noteholder][Bondholder] must, not less than *[[insert minimum number of days]* Payment Business Days] nor more than *[[insert minimum number of days]* Payment Business Days] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] *[[insert minimum period of notice to Issuer]* Payment Business Day] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the [Notes][Bonds] in respect of which such option is exercised, and (ii) the International Security Code of such [Notes][Bonds], if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English] [or] [German] language and includes further information. No option so exercised may be revoked or withdrawn.]

### **7.3 [No] Early Redemption at the Option of the Issuer (Issuer's Call)**

[The Issuer does not have a right to redeem the [Notes][Bonds] early.]

(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the [Notes][Bonds] in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the [Noteholders][Bondholders] in accordance with Clause 12. Such notice shall be irrevocable and shall specify:

(i) the series number of the [Notes][Bonds] (if applicable);

(ii) the Call Redemption Date [which shall be not less than *[insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]]* Payment Business Days *[in case of a maximum notice period insert: nor more than [insert number of days]* Payment Business Days] after the calendar day on which notice is given by the Issuer to the [Noteholders][Bondholders]]; and

(iii) the Call Redemption Amount at which the [Notes][Bonds] are to be redeemed.

*[in case the Notes/Bonds are subject to the Early Redemption at the Option of a Noteholder/Bondholder insert:*

(c) The Issuer may not exercise such option in respect of any [Note][Bond] which is the subject of the prior exercise by the [Noteholder][Bondholder] thereof of its option to require the redemption of such [Note][Bond] under Clause 7.2.]]

### **7.4 [No] Early Redemption at the Option of the Issuer (Make-whole Call Option)**

[The Issuer does not have a right to exercise the Make-whole Call Option and redeem the [Notes][Bonds] early.]

(a) The Issuer may at any time, upon notice given in accordance with subparagraph (c), redeem the [Notes][Bonds] in whole, but not in part, on the Make-whole Call Redemption Date, a date specified

in the Make-whole Call Redemption Notice (as mentioned in sub-paragraph (c)) and at the applicable Make-whole Call Redemption Amount.

(b) The Make-whole Call Redemption Amount of a [Note][Bond] shall be an amount equal to the sum of:

(i) the Principal Amount of the relevant [Note][Bond] to be redeemed; and

(ii) the Applicable Premium (as defined below); and

(iii) accrued but unpaid distributions, if any, to, the Make-whole Call Redemption Date.

(c) Notice of redemption shall be given by the Issuer to the [Noteholder][Bondholder] in accordance with Clause 12. Such notice shall be irrevocable and shall specify the Make-whole Call Redemption Date which shall be not less than [15][*insert number of days*] Payment Business Days nor more than [15][*insert number of days*] Payment Business Days after the calendar day on which notice is given by the Issuer to the [Noteholders][Bondholders].

(d) The Issuer shall, not less than [15][*insert number of days*] calendar days before the giving of the notice referred to above, notify the Fiscal Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Call Option. Not later than the Payment Business Day immediately following the Make-whole Call Redemption Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Fiscal Agent, and the [Noteholder][Bondholder] of the Make-whole Redemption Amount. All [Notes][Bonds] in respect of which any Make-whole Call Redemption Notice is given shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Clause 7.4.

*[in case the Notes/Bonds are subject to the Early Redemption at the Option of a Noteholder/Bondholder insert:*

(e) The Issuer may not exercise such option in respect of any [Note][Bond] which is the subject of the prior exercise by the [Noteholder][Bondholder] thereof of its option to require the redemption of such Note under Clause 7.2.]]

#### **7.5 [No] Redemption for Reasons of Taxation**

[The Issuer does not have a right to redeem the [Notes][Bonds] early for reasons of taxation.]

[(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the [Notes][Bonds] was issued, the Issuer is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the [Notes][Bonds] may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the [Noteholders][Bondholders], at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the [Notes][Bonds] then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

## **8. Events of Default**

(a) Subject to Clause 4 (Status) and, in particular, subject to the qualified subordination clause and any pre-insolvency enforcement block set out therein, each [Noteholder][Bondholder] shall be entitled to declare his [Notes][Bonds] due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer fails to pay any amount which is due and payable and legally enforceable under the [Notes][Bonds] within 30 calendar days from the relevant due date unless such non-payment results from, or is made in accordance with, the payment restrictions set out in Clause 4; or

(ii) the Issuer fails duly to perform any other material obligation arising from the [Notes][Bonds] other than any obligation the performance of which is restricted by Clause 4, which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a [Noteholder][Bondholder]; or

(iii) the Issuer suspends payment or announces its inability to pay its debts, other than any non-payment or payment suspension made in accordance with Clause 4; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the [Notes][Bonds].

The right to declare [Notes][Bonds] due shall terminate if the situation giving rise to it has been cured before the right is exercised. For the avoidance of doubt, any Early Redemption Amount, distributions or other amounts payable following a declaration under this Clause 8 remain subject to Clause 4. No [Noteholder][Bondholder] may demand, enforce or receive payment of any such amount to the extent payment is prohibited or restricted under Clause 4.

(b) Any notice, including any notice declaring [Notes][Bonds] due, in accordance with subparagraph (a) shall be made by means of a written declaration in the [English] [or] [German] language and sent to the specified office of the Fiscal Agent together with proof that such [Noteholder][Bondholder] at the time of such notice is a holder of the relevant [Notes][Bonds] by means of a certificate of his Custodian or in other appropriate manner. The [Notes][Bonds] shall be redeemed following receipt of the notice declaring [Notes][Bonds] due.

## **9. Fiscal Agent and [Clearing System][Central Securities Depository (CSD)]**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent and the [Clearing System][Central Securities Depository (CSD)] and their respective initial specified offices are:

#### **Initial Fiscal Agent:**

[Timberland Invest Ltd.  
CF Business Centre, Triq Gort

Paceville, St Julian's STJ 9023  
Malta]

[●]

**[Clearing System][Central Securities Depository (CSD)]:**

Malta Stock Exchange  
Garrison Chapel  
Castille Place  
Valletta, VLT 1063  
Malta

[●]

The Fiscal Agent reserves the right at any time to change its respective specified office to some other specified office [in the same city][in *[insert city]*]. The Fiscal Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

## **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the [Noteholders][Bondholders], to vary or terminate the appointment of the Fiscal Agent, provided that the Issuer will at all times maintain a Fiscal Agent, having a specified office in the European Union. Notice of any such change will promptly be given to the [Noteholders][Bondholders] in accordance with Clause 12.

## **9.3 Agents of the Issuer**

The Fiscal Agent acts solely as agent of the Issuer and does not have any obligations towards or relationship of agency or trust to any [Noteholder][Bondholder].

## **10. Taxation**

### **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the [Notes][Bonds] shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the [Noteholders][Bondholders], after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a [Noteholder][Bondholder], or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(b) are payable by reason of the [Noteholder][Bondholder] having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the [Notes][Bonds] are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(d) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

## **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the [Notes][Bonds] shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a [Noteholder][Bondholder] in connection with any such compliance.

## **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. Further Issues of [Notes][Bonds][,] [Purchases] [and] [Cancellation]**

### **[11.1] Further Issues of [Notes][Bonds]**

The Issuer may from time to time, without the consent of the [Noteholders][Bondholders], issue further [Notes][Bonds] having the same terms as the [Notes][Bonds] in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the [Notes][Bonds].

### **[11.2 Purchases]**

The Issuer may at any time purchase [Notes][Bonds] in the open market or otherwise at any price. [Notes][Bonds] purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.]

### **[11.3 Cancellation]**

All [Notes][Bonds] redeemed in full shall be cancelled forthwith and may not be reissued or resold.]

## **12. Notices**

### **12.1 Notices to the Issuer**

All notices of the Issuer concerning the [Notes][Bonds] [shall be][may be] published in [*insert relevant publication medium*] and in electronic form on the website of the Issuer [<https://timberlandsecuritiesinvestmentplc.com>][*insert any other website*] [or] [*insert other website*] [or any successor website [in each case] thereof], in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup>

calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[Notices to [Noteholders][Bondholders] [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such [Noteholder][Bondholder] at his registered address and posted.]

## **12.2 Form of Notice to be given by any [Noteholder][Bondholder]**

Notices regarding the [Notes][Bonds] which are to be given by any [Noteholder][Bondholder] to the Issuer shall be validly given if delivered in writing in [English] [or] [German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail.

## **13. Meeting of [Noteholders][Bondholders]**

[The Issuer may from time to time call meetings of [Noteholders][Bondholders] for the purpose of consultation with [Noteholders][Bondholders] or for the purpose of obtaining the consent of [Noteholders][Bondholders] on matters which in terms of the Final Terms or require the approval of a [Noteholders'] [Bondholders'] meeting and to effect any change to the applicable Terms and Conditions of the [Notes][Bonds].

A meeting of [Noteholders][Bondholders] shall be called by the Directors of the Issuer by giving not less than [twenty-one (21)][●] days' notice in writing by giving all [Noteholders][Bondholders] listed on the register of [Noteholders][Bondholders] as at a date being not more than [thirty (30) days][●] preceding the date scheduled for the meeting, not less than [fourteen (14) days][●] notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment to the Terms and Conditions that is proposed to be voted upon at the meeting and seeking the approval of the [Noteholders][Bondholders]. Following a meeting of [Noteholders][Bondholders] held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the [Noteholders][Bondholders] whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the [Noteholders][Bondholders] in accordance with the provisions of this Clause 13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer. The amendment or waiver of any of the Terms and Conditions may only be made with the approval of [Noteholders][Bondholders] at a meeting called and held for that purpose in accordance with the terms hereof. A meeting of [Noteholders][Bondholders] shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two [Noteholders][Bondholders] present, in person or by proxy, representing not less than [fifty per cent. (51.01%)][●] in nominal value of the [Notes][Bonds] then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors of the Issuer to the [Noteholders][Bondholders] present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than [fifteen (15) days][●], following the original meeting. At an adjourned meeting: the number of [Noteholders][Bondholders] present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of [Noteholders][Bondholders].

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions which are required to be taken at the meeting, the Directors of the Issuer or their representative shall present to the [Noteholders][Bondholders] the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to [Noteholders][Bondholders] to present their views to the Issuer and the other [Noteholders][Bondholders] present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the [Noteholders][Bondholders] present at the time at which the vote is being taken, and any [Noteholders][Bondholders] taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

[The voting process shall be managed by [the person] [or] [company] in charge as of the Issuer under the supervision and scrutiny of the Board of Directors.]

The proposal placed before a meeting of [Noteholders][Bondholders] shall only be considered approved if at least [fifty-one per cent. (51%)] [●] in nominal value of the [Noteholders][Bondholders] present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of [Noteholders][Bondholders].]

## **[14. Substitution of the Issuer**

### **14.1 Substitution**

The Issuer shall be entitled at any time, without the consent of the [Noteholders][Bondholders], if no payment of principal of any of the [Notes][Bonds] is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all [Notes][Bonds] in respect of any and all obligations arising from and in connection with the [Notes][Bonds] in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the [Notes][Bonds]) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the [Noteholders][Bondholders] and the Substitute Issuer has agreed to indemnify and hold harmless each [Noteholder][Bondholder] against any tax, duty, assessment or governmental charge imposed on such [Noteholder][Bondholder] in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the [Notes][Bonds];

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the [Notes][Bonds] without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the [Noteholders][Bondholders] in respect of such taxes, duties or other charges imposed on the [Noteholder][Bondholder] in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the [Noteholders][Bondholders] in accordance with Clause 12.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the [Notes][Bonds] after the substitution(s). The [Noteholders][Bondholders], by subscribing for, or otherwise acquiring, the [Notes][Bonds], are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Clause 14 and to the release of the Issuer from any and all obligations in respect of the relevant [Notes][Bonds] and these presents; and (ii) accepted such substitution(s) and the consequences thereof.]

[After the substitution(s) of the Issuer by a Substitute Issuer this Clause 14 shall apply again. In the event of such a substitution(s), every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.]]

## **14.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

## **[14.3 Further Substitution**

After a substitution pursuant to Clause 14.1, the Substitute Issuer may, without the consent of any [Noteholders][Bondholders], effect a further substitution. All the provisions specified in Clause 14.1 and Clause 14.2 shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

## **[[14.3][14.4] Reverse Substitution**

After a substitution pursuant to Clause 14.1 [or Clause 14.3] any the Substitute Issuer may, without the consent of any [Noteholder][Bondholder], reverse the substitution, mutatis mutandis.]]

## **[14.][15.] General**

For as long as the [Notes][Bonds] remain in dematerialised form, these terms and conditions, including the terms applicable to issuance, transfer, exchange, redemption and/or cancellation of the [Notes][Bonds] shall be subject to the applicable rules and procedures set out by the [Clearing System][CSD] (the **CSD Rules**) and in the event of inconsistency between these terms and conditions and the CSD Rules, the CSD Rules shall prevail. Any amendment, variation or deletion of this clause

shall be subject to the express written approval of the [Clearing System][CSD] to be obtained prior to the approval of the [Noteholders][Bondholders].

## **[15.][16.] Governing Law, Place of Jurisdiction and Enforcement**

### **[15.1][16.1] Governing Law**

The [Notes][Bonds], as to form and content, and all rights and obligations of the [Noteholders][Bondholders] and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Maltese law[.] [except for (i) the qualified subordination clause (if applicable) as governed by Clause 4 (*Status*), which shall be applying mutatis mutandis in the meaning to the laws of Germany (unless mandatory rules laws of another EU member state apply).]

### **[15.2][16.2] Place of Jurisdiction**

The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the [Notes][Bonds].

### **[15.3][16.3] Enforcement**

Any [Noteholder][Bondholder] may in any Proceedings against the Issuer, or to which such [Noteholder][Bondholder] and the Issuer are parties, protect and enforce in its own name its rights arising under such [Notes][Bonds] (a) stating the full name and address of the [Noteholder][Bondholder] and (b) specifying the aggregate principal amount of the [Notes][Bonds]. Each [Noteholder][Bondholder] may, without prejudice to the foregoing, protect and enforce its rights under the [Notes][Bonds] also in any other way which is admitted in the country of the Proceedings.

## **[16.][17.] Definitions**

For the purposes of the [Notes][Bonds], the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

**[Applicable Premium]** means the excess, if any, of

(iii) the present value on such Make-whole Call Redemption Date of

(A) the Principal Amount of the relevant Note, plus

(B) all remaining scheduled distribution payments on such Note to (but excluding) the Maturity Date

discounted with the Benchmark Yield plus 0.5 percentage points over

(iv) the Principal Amount of such Note on the Make-whole Call Redemption Date.]

**Applicable Exchange Rate** means (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

**[Benchmark Yield]** means the yield to maturity at the Make-whole Call Redemption Calculation Date of a *Bundesanleihe* (senior unsecured bond) of the Federal Republic of Germany with a constant

maturity (as officially compiled and published in the most recent financial statistics of the Federal Republic of Germany that have then become publicly available on the Make-whole Call Redemption Calculation Date (or if such financial statistics are not so published or available, as apparent from any publicly available source of similar market data selected by the Issuer in good faith)), most nearly equal to the period from the redemption date to the Maturity Date of the relevant Note provided, however, that if the period from the redemption date to the Maturity Date is not equal to the constant maturity of the *Bundesanleihe* of the Federal Republic of Germany for which a weekly average yield is given, the Benchmark Yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of *Bundesanleihen* of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded *Bundesanleihen* of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used, whereby the Benchmark Yield for purposes of calculating the Applicable Premium is under no circumstance below 0.00 percentage points.]

**Business Day Financial Centre** means [*insert relevant financial centre(s)*].

**Calculation Period** means any period of time in respect of the calculation of an amount of distributions on any [Note][Bond].

[**Call Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

[**Clearing System** means the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Republic of Malta.]

**Code** has the meaning assigned to it in Clause 10.2.

[**CSD** means the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Republic of Malta.]

**CSD Rules** has the meaning assigned to it in Clause [14][15].

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the [Noteholder][Bondholder] maintains a securities account in respect of the [Notes][Bonds] and includes the [Clearing System][CSD].

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360] [the actual number of calendar days in the Calculation Period divided by 365].

[**Directors of the Issuer** means the Members of the Board of Directors as legal representatives of the Issuer as defined in the Memorandum and Articles of Association, as amended from time to time.]

**Distribution Commencement Date** has the meaning assigned to it in Clause 5.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 5.1.

[**Early Redemption Amount** means [[●] % of] the Principal Amount] [[plus][minus] [*insert specified currency*] [●]].]

**Electronic Register** has the meaning assigned to it in Clause 1.3.

[**Extended Maturity Date** means the [*insert number of day*] day of [each] [month(s)] following the Initial Maturity Date, commencing [●] and ending [●].]

[**Extended Maturity Rate of Distributions** means [●] per cent. per annum.]

[**Extension Period** means (i) the period between the Initial Maturity Date and the first Extended Maturity Date or (ii) the period between each Extended Maturity Date to the next Extended Maturity

Date or (iii) the period between the Extended Maturity Date preceding the Final Maturity Date to the Final Maturity Date (as applicable).]

**FATCA** has the meaning assigned to it in Clause 10.2.

[**Final Maturity Date** means [●].]

**Fiscal Agent** means [Timberland Invest Ltd.][●].

[**Initial Maturity Date** has the meaning assigned to it in Clause 7.1.]

**Issuer** has the meaning assigned to it in Clause 1.1.

[**Make-whole Call Calculation Agent** means [Timberland Securities Investment plc][Timberland Invest Ltd.].]

[**Make-whole Call Redemption Amount** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Calculation Date** means the [sixth][●] Payment Business Day prior to the Make-whole Call Redemption Date.]

[**Make-whole Call Redemption Notice** has the meaning assigned to it in Clause 7.4.]

[**Make-whole Call Redemption Date** has the meaning assigned to it in Clause 7.4.]

**Malta** means the Republic of Malta.

[**Maturity Date** has the meaning assigned to it in Clause 7.1.]

[**Noteholder**][**Bondholder**] means each person holding one or more [Note(s)][Bond(s)].

[**Note(s)**][**Bond(s)**] has the meaning assigned to it in Clause 1.1.

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [15.2][16.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

[**Put Redemption Amount(s)** means [[●] % of] the Principal Amount [[plus][minus] [*insert specified currency*] [●]].]

[**Put Redemption Date(s)** means [*insert date(s)*].]

[**Initial**] **Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the [Noteholder][Bondholder] in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the [Noteholders][Bondholders] by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Clause 12.]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## TERMS AND CONDITIONS OF THE PARTICIPATION CERTIFICATES

### I. OPTION I – TERMS AND CONDITIONS OF THE PARTICIPATION CERTIFICATES IN BEARER FORM

The following is the text of the terms and conditions applicable to the participation certificates in bearer form. [The final terms and conditions of the participation certificates in bearer will be an integral part of the respective global note.]

[The final terms and conditions of the participation certificates in bearer form, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Participation Certificates" in the relevant Final Terms.]

#### TERMS AND CONDITIONS

The participation certificates in bearer form (the **Participation Certificates(s)**) are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

##### 1. Issuer, Currency, Aggregate Nominal Amount and Nominal Amount

###### 1.1 Issuer

The Issuer of the Participation Certificates is Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**).

###### 1.2 Specified Currency, Aggregate Nominal Amount and Nominal Amount

The Participation Certificates are being issued in the aggregate nominal amount of [up to] [EUR][SEK][*insert other currency*] [insert amount] (in words: [*insert amount and currency in words*]) (the **Aggregate Nominal Amount**) in the denomination of [EUR][SEK][*insert other currency*] [insert amount] (the **Nominal Amount**). The Specified Currency is [Euro][Swedish Krona][*insert other currency*].

##### 2. Form and Title

###### 2.1 Form

- (a) The Participation Certificates are being issued in bearer form.
- (b) Participation Certificates are in bearer form and will, in the case of definitive Participation Certificates, be serially numbered. Participation Certificates may not be exchanged for participation certificates in registered form.
- (c) Each Participation Certificate is issued by the Issuer with a nominal value equal to the Nominal Amount.
- (d) Upon issue, all the Participation Certificates will be represented by a global certificate in bearer form (the **Global Note**) without coupons, which will be deposited with the [Common Depository][Clearing System] on or about the Issue Date. The Global Note shall bear the signatures of [one][two] authorised [signatory][signatories] of the Issuer. Definitive Participation Certificates and distribution coupons will not be issued. The Global Note will be exchangeable for definitive Participation Certificates only in limited circumstances.

(e) The Global Note will be kept in custody by or on behalf of the [Common Depository][Clearing System] as central depository for securities (*Wertpapiersammelbank*) until all obligations of the Issuer under the Participation Certificates have been satisfied.

## **2.2 Title**

(a) Subject as set out below, title to the Participation Certificates will pass by delivery. The Issuer and the Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Participation Certificates as the absolute owner thereof (whether or not the Participation Certificates is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of the Participation Certificates represented by a Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

(b) For so long as the Participation Certificates are represented by a Global Note held on behalf of the Clearing System, each person (other than the Clearing System) who is for the time being shown in the records of the Clearing System as the holder of a particular nominal amount of such Participation Certificates (in which regard any certificate or other document issued the Clearing System as to the nominal amount of such Participation Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) (the **Records**) shall be treated by the Issuer and the Paying Agent as the holder of such nominal amount of such Participation Certificates for all purposes other than with respect to the payment of principal or distribution on such nominal amount of such Participation Certificates, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Participation Certificates in accordance with and subject to the terms of the relevant Global Note and the expression holder of Participation Certificates and related expressions shall be construed accordingly.

## **3. Transfer**

Participation Certificates which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of the Clearing System. References to the Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system that may be approved by the Issuer and the Paying Agent.

## **4. [Specific Provisions in relation to Participation Certificates in definitive Form][intentionally left free]**

[(a) The Global Note will become exchangeable in whole, but not in part, for the Participation Certificates in definitive form when the Clearing System is closed for business for a continuous period of fourteen (14) days, other than public holidays, or permanently ceases business or announces an intention to do so.

(b) Any definitive Participation Certificates issued in exchange for the Global Note will be issued in bearer form only. The relevant definitive Participation Certificates will be made available by the Issuer to the persons shown in the Records.

(c) Definitive Participation Certificates will be signed (A) manually or in facsimile by any two members of the board of directors of the Company who are both in office at the time of the issue of such definitive Participation Certificates or (B) manually or in facsimile by one member of the board of directors of the Company who is in office at the time of the issue of such definitive Participation Certificates and manually by a person to whom the authority to sign has been delegated by the board of directors of the Company. Definitive Participation Certificates will be authenticated by the Paying Agent.]

## 5. Status, Ranking[, Qualified Subordination Clause and Pre-Insolvency Enforcement Block]

### [5.1] Status and Ranking

(a) The Participation Certificates constitute direct, unsecured and subordinated obligations of the Issuer.

(b) Claims arising from the Participation Certificates rank behind the claims of all other non-subordinated creditors of the Issuer. In the event of insolvency proceedings over the assets or liquidation of the Issuer, the Participation Certificates will be redeemed after satisfaction of all non-subordinated creditors, ranking pari passu with all other subordinated liabilities outstanding at that time, unless they are expressly subordinated to the Participation Certificates. The Participation Certificates do not grant a share in the liquidation proceeds.

(c) The Participation Certificate Holders shall not be entitled to have their claims to Distribution rank prior to the distribution claims attributable to other participation certificates of the Issuer.

### [5.2 Qualified Subordination Clause and Pre-Insolvency Enforcement Block

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Participation Certificates will rank:

(a) junior to all present or future unsubordinated instruments or obligations of the Issuer;

(b) whereby:

(i) All claims under the Participation Certificates applying mutatis mutandis in accordance with section 19 (2) sentence 2 of the German Insolvency Code are subordinated to all claims of other current or future creditors in such a manner that any payments of principal and interest under the Participation Certificates may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, i.e. at the ranking position stipulated in section 39 para. (2) of the German Insolvency Code. A waiver with respect to the claims is not possible.

(ii) Payments under the Participation Certificates may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.

(iii) The Participation Certificate Holders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted or unable to pay its debts within applying mutatis mutandis the meaning of German insolvency law.

**The payment prohibition applies for an indefinite period until such time a fulfilment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. Consequently, claims arising from the Participation Certificates (including claims regarding principal and distribution) can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.**

(iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.

(v) In all other respects, the Participation Certificate Holders are entitled without restriction to assert their rights under the Participation Certificates and to claim performance.

(vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole applying mutatis mutandis within the meaning of section 328 para. (2) of the German Civil Code. Any cancellation of this subordination agreement without the creditors'

cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.

(c) *pari passu* among themselves;

(d) senior to all present or future all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Participation Certificates;

(e) Pre-insolvency enforcement block/non-payment:

Definitions:

"Reason for opening insolvency proceedings" refers to *mutatis mutandis* the inability to pay within the meaning of section 17 of the German Insolvency Code, imminent inability to pay within the meaning of section 18 of the German Insolvency Code and "overindebtedness" within the meaning of section 19 of the German Insolvency Code. Impending overindebtedness does not constitute reasons for opening insolvency proceedings.

If and to the extent that the partial or complete satisfaction of one or more or all of the Participation Certificate Holders' claims (e.g. repayment, interest and other ancillary claims) would give rise to at least one reason for opening insolvency proceedings against the Issuer, the Participation Certificate Holder cannot enforce this claim or these claims in a legally binding manner outside of insolvency proceedings (payment ban for the Participation Certificate Holder). The payment prohibition applies for an indefinite period until such time as the fulfillment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. This means that claims arising from the Participation Certificates can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.

Subordination Agreement:

In the event of insolvency proceedings on the assets of the Issuer or the liquidation of the Issuer, the claims arising from the Participation Certificates shall rank behind all non-subordinated claims and all subordinated claims within *mutatis mutandis* the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code.]

## **6. Exclusion of Setoff, no Security**

(a) Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under these Participation Certificates, and no contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by the Participation Certificates. The Participation Certificates are neither secured nor subject to a guarantee that enhances the seniority of the claims under the Participation Certificates. The Participation Certificates are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claims under the Participation Certificates. No subsequent agreement may limit the subordination pursuant to this Clause 6 (a).

(b) The right to set off liabilities of a Participation Certificate Holder against the Issuer with claims under the Participation Certificates is excluded.

## **7. Entitlement to Distribution**

(a) Subject to the paragraphs below and as of the Distribution Commencement Date, the Participation Certificates entitle the Participation Certificate Holders to an annual distribution (the **Distribution**). The amount of Distribution (the **Distribution Amount**) to be paid corresponds to the equivalent of the product of (i) the Aggregate Nominal Amount and (ii) the Distribution Rate. The Distribution Amount is payable from, and including, the Distribution Commencement Date to, but excluding, the Maturity Date. The Distribution Amount in relation to each Participation Certificate and in respect of

each Distribution Period shall be payable in arrears on the relevant Distribution Payment Date. Each Distribution (as reflected in the relevant Financial Statements and due for payment on the relevant Distribution Payment Date) is to be made for the respective previous Financial Year of the Issuer. Distribution will not accrue in respect of each Distribution Period.

(b) If distributions are to be calculated for a Distribution Period with more or less than 365 days (the **Adjusted Distribution Period**), the Distribution Amount corresponds to the equivalent of the product of (i) the Aggregate Nominal Amount and (ii) the Distribution Rate and (iii) the Distribution Quotient. The resulting Distribution Amount shall be rounded up or down to the smallest unit of the specified currency, with 0.5 such units being rounded up.

(c) Distribution with respect to Participation Certificates are subject to the requirement that it may not result in or increase any accumulated Annual Loss. The entitlement to Distribution shall be reduced or shall lapse to the extent as it would result in or increase an accumulated Annual Loss. In case the entitlement to a Distribution is reduced as a result of the latter limitation, the reduction shall be made in proportion to the respective distribution claims under the Participation Certificates and other outstanding subordinated liabilities that rank *pari passu* with the Participation Certificates and which provide for a corresponding legal mechanism. There will be no additional payment in future years (not cumulative).

(d) The Issuer may decide to pay interim Distributions (the **Interim Distribution(s)**). The Interim Distribution(s) may be calculated by the Issuer in regard to an expected Distribution Amount for each Business Year. In case the relevant Interim Distribution Amount is higher than the Distribution Amount determined in accordance with Clause 7.1, the amount exceeding the respective Distribution Amount is carried forward and will in subsequent years of the term of the Participation Certificates reduce the Distribution Amount [and/or Redemption Amount]. [In case the Interim Distribution(s) exceed(s) the Distribution Amount [and the Redemption Amount] and subject to the following sentences, the Interim Distribution(s) are repayable by the Participation Certificate Holder. The repayment of Interim Distribution(s) is subject to a notice of repayment (the **Interim Distribution(s) Repayment Notice**). The Interim Distribution(s) Repayment Notice will provide for the respective repayment date which shall not be earlier than the [20]<sup>th</sup> day upon receipt of the Interim Distribution(s) Repayment Notice.]

## **8. Redemption**

### **8.1 Final Redemption**

(a) The term of the Participation Certificates ends on the Maturity Date.

(b) Subject to the provisions of Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*), the Participation Certificates shall be redeemed at the Redemption Amount. The Redemption Amount (as well as the last Distribution Amount) is due for payment on the Maturity Date. Once all the Participation Certificates have been so redeemed, the obligations of the Issuer under these Terms and Conditions shall be fully discharged and the Participation Certificate Holders shall have no further claim or recourse against the Issuer.

(c) Subject to Clause 10.6 and to the extent the Issuer fails to pay the Redemption Amount when due, the Redemption Amount shall bear interest [[●] per cent.][the default rate of interest established by law] from and including the due date for redemption to but excluding the date of actual payment of the Redemption Amount.

### **8.2 Early Redemption at the Option of the Issuer**

(a) The Issuer may, after having terminated in accordance with the following subparagraph [and after the lapse of [five (5)][●] full Financial Years], declare due and redeem all or parts of the Participation

Certificates outstanding at the Early Redemption Amount (Call Event) on the relevant Early Redemption Date (Call Event).

An early redemption in accordance with this Clause 8.2 (a) is conditional to the circumstance that there has been no Loss Participation in accordance with Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*) or the Claims of Backpayment (as defined in Clause 9.3) have been fully replenished or can be replenished at the end of the term at the end of the relevant Financial Year in which the early redemption shall take place.

The Issuer [shall][may, at its option,] issue a notice to the Participation Certificate Holders in accordance with Clause 20 (*Notices*) below by which it informs the Participation Certificate Holders about the early redemption of the Participation Certificates on the Early Redemption Date (Call Event).

(b) In addition, in the event that

- a Balance Sheet Event has occurred; and/or
- an Illegality Event; and/or
- a Tax Event has occurred,

the Issuer [shall][may, at its option,] issue a notice to the Participation Certificate Holders in accordance with Clause 20 (*Notices*) below by which it informs the Participation Certificate Holders about the early redemption of the Participation Certificates (in whole but not in part) on the Early Redemption Date (Balance Sheet Event) and the Early Redemption Date (Tax Event) respectively.

On the respective early redemption date mentioned in the latter sub-paragraph, the Issuer shall redeem each Participation Certificate by paying the Early Redemption Amount (Additional Events) to the Participation Certificate Holders. In such a case, the obligations of the Issuer under these Terms and Conditions shall be fully discharged and the Participation Certificate Holders shall have no further claim or recourse against the Issuer.

With respect to an early redemption in connection with a Balance Sheet Event, notice of termination may be given no earlier than at the end of the Financial Year preceding the Financial Year in which the relevant change in the accounting principles in connection with a Balance Sheet Event is applied for the first time. Subject to the provisions of Clause 7 (*Entitlement to Distribution*), repayment shall be made [on the 15<sup>th</sup> day after the respective Financial Statements of the Issuer have been setup, audited and approved by the Extraordinary General Meeting or Ordinary Annual General Meeting (each an AGM)][*insert other time mechanism*] (the **Early Redemption Date (Balance Sheet Event)**).

With respect to an early redemption in connection with a Tax Event, notice of termination may be given no earlier than the end of the financial year preceding the Distribution in which the tax burden would first apply to the Issuer. Subject to the provisions of Clause 7 (*Entitlement to Distribution*), redemption shall take place [on the 15<sup>th</sup> day after the respective Financial Statements of the Issuer have been setup, audited and approved by the AGM][*insert other time mechanism*] (the **Early Redemption Date (Tax Event)**).

(c) Clause 7 (b) and Clause 8.1 (c) shall apply accordingly.

### **8.3 No Redemption at the Option of a Participation Certificate Holder**

Without prejudice to their right of early redemption in connection with an Event of Default pursuant to Clause 12 (*Events of Default*), the Holders of Participation Certificates do not have a right to demand the redemption of the Participation Certificates [except for as defined in Clause 8.4 for Early Redemption at the Option of a Participation Certificate Holder.]

### **[8.4 Early Redemption at the Option of a Participation Certificate Holder**

(a) The Issuer shall, at the option of a Participation Certificate Holder, redeem such Participation Certificate on the Put Redemption Date at the Put Redemption Amount.

(b) In order to exercise such put option, the Participation Certificate Holder must, not less than [130][●] Payment Business Days nor more than [195][●] Payment Business Days before the relevant Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Paying Agent an notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. Maltese time on the [130<sup>th</sup>][●] calendar day before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Participation Certificate(s) in respect of which such option is exercised, and (ii) the International Security Code of such Participation Certificates, if any. The Put Notice may be in the form available and obtained from the specified offices of the Paying Agent in the English [and] [or German] language and includes further information. No put option so exercised may be revoked or withdrawn.]

## **9. Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment**

### **9.1 Loss Participation**

The Participation Certificate Holders participate in the Annual Loss of a Financial Year to the full amount (the **Loss Participation**). In the amount of the relevant Annual Loss, the repayment claim of the Participation Certificate Holders shall be reduced [in the ratio in which the Aggregate Nominal Amount of the Participation Certificates stands to the total amount of participatory capital shown in the balance sheet (taken from the respective Financial Statements) and other outstanding subordinated liabilities that provide for a corresponding loss participation,][senior to any other loss transferable instruments of the Issuer (including, but not limited, to all individual items of equity),] if applicable up to the full amount. [Losses carried forward and accumulated losses from previous Financial Years [[and][or] the current Financial Year] shall not be taken into account.] [The Issuer is obliged to avoid reporting an Annual Loss by using reserves (to the extent legally permissible) or profits carried forward.]

### **9.2 Replenishment of Repayment Claims**

After participation in a Loss Participation, the repayment claims must be replenished in subsequent Financial Years up to the Aggregate Nominal Amount of the Participation Certificates (the **Replenishment**) if and to the extent that this does not result in or increase an Annual Loss. The replenishment shall take precedence over a Distribution on the Participation Certificates. [The Participation Certificates shall be replenished with priority over silent participations.] An obligation to replenish repayment claims applies to the extent an Annual Profit would arise during the term of the Participation Certificates without replenishment.

The Replenishment shall have priority over the allocation of reserves (to the extent legally permissible). If the equivalent amount of an Annual Profit is not sufficient for the full replenishment of the Participation Certificates and other outstanding subordinated liabilities of the Issuer which rank *pari passu* with the Participation Certificates and provide for a corresponding provision, the Replenishment of the capital of the Participation Certificates shall be carried out proportionately in the ratio of their total Aggregate Nominal Amount to the aggregate nominal amount of the other outstanding subordinated liabilities. This shall also apply accordingly to other participation certificates to be issued in the future, provided that their terms and conditions stipulate a corresponding replenishment claim.

### **9.3 Claim for Backpayment**

Any differential amount between the Aggregate Nominal Amount of the Participation Certificates and the amount repaid (on the respective day of redemption) due to a reduction of the repayment

claim pursuant to Clause 9.1 shall be paid in arrears in accordance with the following sentences (the **Claim for Backpayment**): There shall be no subsequent payment of reduced or cancelled Distributions. If, after participation in a Loss Participation at the end of the term of the Participation Certificates (or in case of a premature redemption), an Annual Profit would arise in the following three Financial Years of the Issuer without corresponding Replenishments, the Claim for Backpayment under the Participation Certificates shall first be satisfied before any other appropriation of profits is made. To the extent the relevant Annual Profit is not sufficient to make a full subsequent payment in respect of the Participation Certificates and other outstanding subordinated liabilities of the Issuer ranking pari passu with the Participation Certificates and provide for a corresponding provision, the subsequent payment shall be made pro rata in the following ratio: Claim for Backpayment to the claim for subsequent payment under the other outstanding subordinated liabilities of the Issuer.

## **10. Payments**

### **10.1 Payments on the Participation Certificates**

Subject to as provided below, payments in respect of the Participation Certificates shall be made to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Participation Certificates shall be made in the Specified Currency. [If the Issuer determines that it is impossible to make payments of amounts due on the Participation Certificates in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Participation Certificate Holders shall not be entitled to further interest or any additional amounts as a result of such payment.]

### **10.2 Discharge**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

### **10.3 Determinations**

(a) All calculations to be made under these Terms and Conditions will be made by the Calculation Agent appointed by the Issuer.

(b) In the absence of the Calculation Agent's wilful misconduct, bad faith or manifest error, the calculations of the Calculation Agent will be binding on the Participation Certificate Holders.

### **10.4 Fractions**

When making payments to the Participation Certificate Holders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

### **10.5 Payments subject to Fiscal Law**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. A payment made in accordance with the provisions of this Clause 10 (*Payments*) above shall be a good discharge for the Issuer.

## **10.6 Payment Business Days**

If the due date for any payment in respect of the Participation Certificates would otherwise fall on a calendar day which is not a Payment Business Day, the Participation Certificate Holders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

## **10.7 General Provisions applicable to Payments**

Each payment in respect of the Participation Certificates or to the account of the Paying Agent in the manner provided in the agreement between the Issuer and the Paying Agent shall operate in satisfaction pro tanto of the relative payment obligation of the Issuer in respect of such Participation Certificates.

## **11. Purchase and Cancellation**

### **11.1 Purchase**

The Issuer may at any time purchase Participation Certificates at any price. Such Participation Certificates must be cancelled forthwith. There is no obligation to redeem Participation Certificates.

### **11.2 Cancellation**

All Participation Certificates redeemed by the Issuer upon a Full Repayment will be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Participation Certificates shall be discharged.

## **12. Events of Default**

Subject to Clause 5 (Status) and, in particular, subject to the qualified subordination clause and any pre-insolvency enforcement block set out therein, each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event (each an **Event of Default**) that:

(i) the Issuer fails to pay any amount which is due and payable and legally enforceable under the Participation Certificates within 30 calendar days from the relevant due date unless such non-payment results from, or is made in accordance with, the payment restrictions set out in Clause 5; or

(ii) the Issuer fails duly to perform any other material non-payment obligation arising from the Participation Certificates other than any obligation the performance of which is restricted by Clause 5, which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Paying Agent has received notice thereof from a Participation Certificate Holder; or

(iii) the Issuer suspends payment generally or announces its inability to pay its debts, other than any non-payment or payment suspension made in accordance with Clause 5; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation (including a voluntary liquidation) unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection

with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Participation Certificates.

(b) The right to declare Participation Certificates due shall terminate if the situation giving rise to it has been cured before the right is exercised. Any notice, including any notice declaring Participation Certificates due, in accordance with subparagraph shall be made by means of a written declaration in the English [and] [or German] language and sent to the specified office of the Paying Agent together with proof that such Participation Certificate Holder at the time of such notice is a holder of the relevant Participation Certificates in any appropriate manner. The Participation Certificates shall be redeemed following receipt of the notice declaring Participation Certificates due. For the avoidance of doubt, any Early Redemption Amount, distributions or other amounts payable following a declaration under this Clause 12 remain subject to Clause 5. No Noteholder may demand, enforce or receive payment of any such amount to the extent payment is prohibited or restricted under Clause 5.

### **13. Calculation Agent and Paying Agent**

#### **13.1 Appointment and Specified Offices**

The initial Calculation Agent and the initial Paying Agent and their respective initial specified offices are:

##### **Initial Calculation Agent:**

[Timberland Securities Investment plc  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[●]

##### **Initial Paying Agent:**

[Quirin Privatbank AG  
Schillerstraße 20  
60313 Frankfurt am Main  
Germany]

[●]

The expressions "Calculation Agent" and "Paying Agent" shall in each case include any successor calculation agent or successor paying agent or successor registrar and transfer agent, respectively.

#### **13.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Participation Certificate Holders, to vary or terminate the appointment of each of the Calculation Agent and the Paying Agent, provided that the Issuer will at all times maintain a Calculation Agent and a Paying Agent (each having a specified office in the European Union). Notice of any such change will promptly be given to the Participation Certificate Holders in accordance with Clause 20 (*Notices*).

#### **[13.3 Agents of the Issuer**

The agents mentioned in Clause 13.1 act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Participation Certificate Holder.]

### **14. Exclusion of Membership Rights**

The Participation Certificates grant creditor rights but under no circumstances the following membership rights: (in particular) no subscription rights to new Participation Certificates, no entitlement to participate in the liquidation proceeds of the Issuer and no participation and voting rights.

## **15. Taxation**

### **15.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Participation Certificates shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (the **Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Participation Certificate Holder, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(i) are payable by any person acting as custodian bank or collecting agent on behalf of a Participation Certificate Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(ii) are payable by reason of the Participation Certificate Holder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Participation Certificates are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(iii) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(iv) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 20 (*Notices*), whichever occurs later.

### **15.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Participation Certificates shall be made subject to compliance with Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to Section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Participation Certificate Holder in connection with any such compliance.

### **15.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **16. Prescription**

(a) Subject to subparagraph (b), claims against the Issuer for payment in respect of the Participation Certificates shall be prescribed and become void unless made within [ten years][*insert other period*] from the date on which the relevant payment first becomes due.

(b) In the case of the Distribution Amount, respective claims against the Issuer shall be prescribed and become void unless made within [ten years][*insert other period*] from the date on which the relevant payment first becomes due.

## **17. Meeting of Participation Certificate Holders**

[Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Participation Certificates.]

[The Base Prospectus in respect of the Participation Certificates contains detailed provisions for convening (i) meetings of the Participation Certificate Holders and (ii) joint meetings of holders of more than one series of Participation Certificates issued by the Issuer (including, where applicable, the Participation Certificates). [The respective conditions are set out in Final Terms (*Part III – Provisions for Meetings of Participation Certificate Holders*).]

## **18. Modification**

(a) The Issuer may make, without the consent of the Participation Certificate Holders, any modification to the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Participation Certificates.

(b) Any such modification shall be binding on the Participation Certificate Holders and any such modification shall be notified to the Participation Certificate Holders by way of a notice in accordance with Clause 20 (*Notices*).

(c) No modifications to the Terms and Conditions may be made by the Participation Certificate Holders without the Issuer's written consent.

## **19. Further Issuances, no Subscription Rights**

(a) The Issuer may from time to time, without the consent of the Participation Certificate Holders issue further participation certificates (i) having the same terms and conditions in all respects as the outstanding Participation Certificates except for the Issue Date, so that such further issue shall be consolidated and form a single series with the outstanding Participation Certificates, and references in these Terms and Conditions to the Participation Certificates shall be construed accordingly or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue. The Issuer will inform the existing Participation Certificate Holders of any issuance of further Participation Certificates pursuant to (ii) via a notice in accordance with Clause 20 (*Notices*).

(b) The Participation Rights do not grant any subscription rights to further Participation Certificates.

## **20. Notices**

### **20.1 Notices of the Issuer**

[(a)] All notices of the Issuer concerning the Participation Certificates [shall be][may be] published in [a national daily newspaper (such as, but not limited to, [*insert publication medium*]) or in electronic form on the website of the Issuer [( [*insert website*]) or any successor website thereof, in which case

an automatic redirection will be ensured by the Issuer)][*insert other website*][or any successor website [in each case] thereof]. Any notice so given will be deemed to have been validly given on the [5<sup>th</sup>][●] calendar day following the date of such publication (or, if published more than once, on the [5<sup>th</sup>][●] calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[(b)

[Notices to Participation Certificate Holders [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of [twenty-four (24)][●] hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Participation Certificate Holders at his registered address and posted.]

[In addition to any notice given in accordance with paragraph (a), the Issuer may, but shall not be obliged to, send copies of such notice to Participation Certificate Holders whose contact details are known to the Issuer from subscription records, register data, account opening documentation or other distribution-related sources. Any such transmission shall be for information purposes only and shall not constitute a condition for the validity or effectiveness of the relevant notice.]

[In addition to any notice given in accordance with paragraph (a), the Issuer may, but shall not be obliged to, send copies of such notice by post or electronic communication to Participation Certificate Holders whose contact details are known to the Issuer from subscription records, register data, account opening documentation or other distribution-related sources. Any such transmission shall be for information purposes only and shall not constitute a condition for the validity or effectiveness of the relevant notice.]

[In addition to any notice given in accordance with paragraph (a), the Issuer may mail copies of such notice to any Participation Certificate Holders whose addresses are known to the Issuer. Any such mailing shall be for information purposes only and failure to mail, delayed mailing or non-receipt shall not affect the validity or effectiveness of the notice published in accordance with paragraph (a).]

[In addition to any notice given in accordance with paragraph (a), the Issuer may, but shall not be obliged to, send copies of such notice by post or electronic communication to Participation Certificate Holders whose contact details are known to the Issuer from subscription records, account opening documentation, distribution records or other records lawfully available to the Issuer. Any such transmission shall be for information purposes only and shall not affect the validity or effectiveness of any notice given in accordance with paragraph (a).]

## **20.2 Form of Notice to be given by any Participation Certificate Holder**

All notices regarding the Participation Certificates which are to be given by any Participation Certificate Holders to the Issuer shall be validly given if delivered in writing in English [and][or] [German] language to the Issuer or the Paying Agent (for onward delivery to the Issuer) by hand or mail.

## **[21. Substitution of the Issuer**

### **21.1 Substitution**

The Issuer shall be entitled at any time, without the consent of the Participation Certificate Holders, if no payment of principal of any of the Participation Certificates is in default, to substitute for the Issuer another person (the **Substitute Issuer**) as principle debtor under all Participation Certificates in respect of any and all obligations arising from and in connection with the Participation Certificates in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Participation Certificates) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Participation Certificate Holders and the Substitute Issuer has agreed to indemnify and hold harmless each Participation Certificate Holder against any tax, duty, assessment or governmental charge imposed on such Participation Certificate Holder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Participation Certificates;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Participation Certificates without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Participation Certificate Holders in respect of such taxes, duties or other charges imposed on the Participation Certificate Holder in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Participation Certificate Holders in accordance with Clause 20 (*Notices*).

The Issuer will not guarantee the obligations of the Substitute Issuer under the Participation Certificates after the substitution(s). The Participation Certificate Holders, by subscribing for, or otherwise acquiring, the Participation Certificates, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Condition 21 (*Substitution of the Issuer*) and to the release of the Issuer from any and all obligations in respect of the relevant Participation Certificates and these presents; and (ii) accepted such substitution(s) and the consequences thereof.

After the substitution(s) of the Issuer by [one or more][a] Substitute Issuer[(s)], this Clause 21 (*Substitution of the Issuer*) shall apply again. In the event of such a substitution, every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the [relevant] Substitute Issuer(s).

## **21.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in

which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

### **[21.3 Further Substitution**

After a substitution pursuant to Clause 21.1, the Substitute Issuer may, without the consent of any Participation Certificate Holders, effect a further substitution. All the provisions specified in Clause 21.1 and Clause 21.2 shall apply mutatis mutandis, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

### **[[21.3][21.4] Reverse Substitution**

After a substitution pursuant to Clause 21.1 [or Clause 21.3] any the Substitute Issuer may, without the consent of any Participation Certificate Holder, reverse the substitution, mutatis mutandis.]]

### **[[21.][22.] Information Right**

Participation Certificates Holders may request a copy of the Financial Statements of the Issuer from the Issuer.]

### **[21.][22.][23.] Governing Law, Place of Jurisdiction and Enforcement**

#### **[21.1][22.1][23.1] Governing Law**

The Participation Certificates, as to form and content, and all rights and obligations of the Participation Certificate Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for [the qualified subordination clause as governed by Clause 5.2, which shall be applying mutatis mutandis in the meaning to the laws of Germany unless mandatory rules and laws of another EU member state apply and] Clause 17 (*Meeting of Participation Certificate Holders*) to the extent that mandatory rules and laws of another EU member state apply.

#### **[21.2][22.2][23.2] Place of Jurisdiction**

Subject to sentence 2, the courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Participation Certificates. [The courts of Duisburg, Germany shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 5.2.]

#### **[21.3][22.3][23.3] Enforcement**

Any Participation Certificate Holder may in any Proceedings against the Issuer, or to which such Participation Certificate Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Participation Certificates (a) stating the full name and address of the Participation Certificate Holder and (b) specifying the aggregate principal amount of the Participation Certificates. Each Participation Certificate Holder may, without prejudice to the foregoing, protect and enforce its rights under the Participation Certificates also in any other way which is admitted in the country of the Proceedings.

### **[22.][23.][24.] Definitions**

For the purposes of the Participation Certificates, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 15.1.

**Adjusted Distribution Period** has the meaning given to such term in Clause 7 (*Entitlement to Distribution*).

**Aggregate Nominal Amount** has the meaning given to such term in Clause 2 (*Specified Currency, Aggregate Nominal Amount and Nominal Amount*).

[AGM has the meaning given to such term in Clause 8.2 (b).]

[AGM Date means the day of an AGM of the Issuer on which the audited Financial Statements of the Issuer for the relevant Business Year have been approved by the Annual General Meeting of the shareholders of the Issuer.]

**Annual Loss** means an annual loss of the Issuer (as reflected in the respective Financial Statements of the Issuer) [and which has, for purposes of calculating the Distribution Amount, been transferred into the Specified Currency using the Exchange Rate].

**Annual Profit** means [the annual profit of the Issuer (as reflected in the respective Financial Statements of the Issuer)][●] [and which has, for purposes of calculating the Distribution Amount, been transferred into the Specified Currency using the Exchange Rate].

[Applicable Exchange Rate means [●].]

[Articles 470-3 – 470-19 of the Companies Act 1915 has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).]

**Balance Sheet Event** means a change in the Maltese accounting principles that results that funds raised by the issue of the Participation Certificates are not or not fully used or may no longer be reported as equity capital in accordance with Maltese GAAP.

**Business Day Financial Centre** means [Valletta] [and] [Luxembourg] [*insert other or additional business day financial centre(s)*].

**Business Year** means [a financial year for the period from January 1<sup>st</sup> to December 31<sup>st</sup> in each year during operation of the Issuer, whereby the first Business Year is defined as the period from the date of incorporation of the Issuer until the following December 31<sup>st</sup>][●].

**Calculation Agent** means [Timberland Securities Investment plc][●].

**Claim for Backpayment** has the meaning given to such term in Clause 9.3.

**Clearing System** means [Clearstream Luxembourg and Euroclear][Clearstream Europe][OeKB CSD] [Euroclear Sweden] [Euronext Securities Milan] and any successor in such capacity. [The Participation Certificates shall be kept in custody by a common depository on behalf of both ICSD.]

[Clearstream Europe means Clearstream Europe AG, The Cube, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.]

[Clearstream Luxembourg means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.]

[Common Depository means a common depository for Euroclear and/or Clearstream Luxembourg.]

**Code** has the meaning assigned to it in Clause 15.2.

**Distribution** means a share of the Annual Profit of the Issuer that shall be paid (to Participation Certificate Holders in accordance with Clause 7 (*Entitlement to Distribution*)) and satisfied with priority over dividends to shareholders of the Issuer.

**Distribution Amount** has the meaning given to such term in Clause 7 (*Entitlement to Distribution*).

**Distribution Commencement Date** means [●].

**Distribution Payment Date** means [15 Business Payment Days subsequent to the AGM Date in each year, commencing in [●] and ending on the Maturity Date][●].

**Distribution Period** means [the period from (and including) the Distribution Commencement Date to (but excluding) the first Distribution Payment Date and thereafter from (and including) each Distribution Payment Date to (but excluding) the next following Distribution Payment Date][●].

**Distribution Quotient** means [the quotient of (i) the actual number of days falling into the relevant Adjusted Distribution Period divided by (ii) the actual number of days falling into the relevant Financial Year][●].

**Distribution Rate** means [[●] per cent. per annum][●].

**Early Redemption Amount** corresponds to [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*). For avoidance of doubt, the mechanism provided for in Clause 9 shall apply for the full business year in which the Early Redemption Date falls into][●].

**Early Redemption Amount (Additional Events)** corresponds to [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9. For avoidance of doubt, the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*) shall apply for the full business year in which the Early Redemption Date falls into][●].

**Early Redemption Amount (Call Event)** corresponds to [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*). For avoidance of doubt, the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*) shall apply for the full business year in which the Early Redemption Date falls into][●].

**Early Redemption Date (Balance Sheet Event)** has the meaning given to such term in Clause 8.2 (b).

**Early Redemption Date (Call Event)** means [●].

**Early Redemption Date (Tax Event)** has the meaning given to such term in Clause 8.2 (b).

[Euroclear means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.]

[Euroclear Sweden means Euroclear Sweden AB, Klarabergsviadukten 63, 111 64 Stockholm, Sweden.]

[Euronext Securities Milan means Monte Titoli S.P.A. Piazza degli Affari 6, 20123 Milano, Italian Republic.]

**Event of Default** has the meaning given to such term in Clause 12.2.

[Exchange Rate means [●].]

FATCA has the meaning assigned to it in Clause 15.2.

**Financial Statements** means each annual financial statements the Issuer starting with the annual financial statements for the Financial Year [*insert year*].

**Financial Year** means each financial year of the Issuer starting with the financial year [*insert financial year in which the Distribution Commencement Day falls*].

**Full Repayment** means that the Issuer has paid in full to (as the case may be) the Participation Certificate Holders all amounts due (as applicable) and payable under the Terms and Conditions on each Participation Certificate to be redeemed.

[**Germany** means the Federal Republic of Germany.]

**Global Note** has the meaning given to such term in Clause 2.1 (d).

[**ICSD** means Clearstream Luxembourg and Euroclear.]

**Illegality Event** means that the Issuer determines in good faith that the performance of its obligations under the Participation Certificates has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof.

**Interim Distribution(s)** has the meaning assigned to it in Clause 7 (d).

[**Interim Distribution(s) Repayment Notice** has the meaning assigned to it in Clause 7 (d).]

**Luxembourg** means the Grand Duchy of Luxembourg.

**Malta** means the Republic of Malta.

**Issue Date** means [●].

**Issuer** has the meaning given to such term in Clause 1.1.

**Loss Participation** has the meaning given to such term in Clause 9.1.

**Maturity Date** means [●].

**Nominal Amount** has the meaning given to such term in Clause 2 (*Specified Currency, Aggregate Nominal Amount and Nominal Amount*).

[**OeKB CSD GmbH** means OeKB CSD GmbH Strauchgasse 1-3, 1010 Vienna, Republic of Austria.]

**Participation Certificate Holder** means each person holding one or more Participation Certificate(s).

**Paying Agent[s]** means [Quirin Privatbank AG] [●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

**Put Notice** has the meaning given to such term in Clause 8.4 (b).

**Put Redemption Amount** means [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*)] [●].

**Put Redemption Date** means [●].

**Proceedings** has the meaning given to such term in Clause 22.2.

**Records** has the meaning given to such term in Clause 2.2 (b).

**Redemption Amount** means the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9.

**Replenishment** has the meaning assigned to it in Clause 9.2.

**Specified Currency** has the meaning assigned to it in Clause 1.2 (*Specified Currency, Aggregate Nominal Amount and Nominal Amount*).

**Substitute Issuer** has the meaning assigned to it in Clause 21.1 (*Substitution of the Issuer*).

[**Successor Currency** has the meaning assigned to it in Clause 10.1.]

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

**Tax Event** means any amendment to or change in the laws or regulations of Malta or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date pursuant to which (i) the Issuer would be required to pay additional amounts or (ii) Distributions no longer lead, in whole or in part, to a reduction in the tax base for trade income tax or corporation tax.

**Withholding Taxes** has the meaning assigned to it in Clause 15.1.

## II. OPTION II – TERMS AND CONDITIONS OF THE PARTICIPATION CERTIFICATES IN REGISTERED FORM

The following is the text of the terms and conditions applicable to the participation certificates in registered form.

[The final terms and conditions of the participation certificates in registered form, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Participation Certificates" in the relevant Final Terms.]

### TERMS AND CONDITIONS

The participation certificates in registered form (the **Participation Certificates(s)**) are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### 1. Issuer, Currency, Aggregate Nominal Amount and Nominal Amount

##### 1.1 Issuer

The Issuer of the Participation Certificates is Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**).

##### 1.2 Specified Currency, Aggregate Nominal Amount and Nominal Amount

The Participation Certificates are being issued in the aggregate nominal amount of [up to] [EUR][SEK][*insert other currency*] [*insert amount*] (in words: [*insert amount and currency in words*]) (the **Aggregate Nominal Amount**) in the denomination of [EUR][SEK][*insert other currency*] [*insert amount*] (the **Nominal Amount**). The Specified Currency is [Euro][Swedish Krona][*insert other currency*].

#### 2. Form and Title

##### 2.1 Form

(a) The Participation Certificates are being fully issued in registered form and may under no circumstances be converted into participation certificates in bearer form.

[(b) The Participation Certificates [are [not] clearable through any clearing system] [and] [[will][may][cannot (and will not)] be admitted to trading and/or listed on any stock exchange, regulated or unregulated market].]

(c) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of Participation Certificates (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.

(d) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).

(e) A Participation Certificate Holder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Participation Certificates.

## **2.2 Title**

- (a) Title to the Participation Certificates passes only by registration (*inscription*) in the Issuer Register.
- (b) Ownership in respect of the Participation Certificates is established by the registration in the Issuer Register.
- (c) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, the Issuer may deem and treat the person registered in the Issuer Register as absolute owner of the Participation Certificates for all purposes (whether or not the Participation Certificates is overdue) and no person will be liable for so treating the Participation Certificate Holder.
- (d) No transfer of a Participation Certificate shall be recognised by the Issuer unless entered in the Register and the Issuer Register. In the case of discrepancies between the records of the Register and the Issuer Register, the latter shall prevail.

## **3. Transfer**

- (a) A Participation Certificate may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the registered Participation Certificate in the form satisfactory to the Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonably require.
- (b) Registration of transfer of the Participation Certificates will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

## **4. Closed Periods**

No Participation Certificate Holder may require the transfer of a Participation Certificate to be registered (i) after an event of default notice has been issued pursuant to Clause 12 (*Events of Default*) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Participation Certificates.

## **5. Status, Ranking[, Qualified Subordination Clause and Pre-Insolvency Enforcement Block]**

### **[5.1] Status and Ranking**

- (a) The Participation Certificates constitute direct, unsecured and subordinated obligations of the Issuer.
- (b) Claims arising from the Participation Certificates rank behind the claims of all other non-subordinated creditors of the Issuer. In the event of insolvency proceedings over the assets or liquidation of the Issuer, the Participation Certificates will be redeemed after satisfaction of all non-subordinated creditors, ranking *pari passu* with all other subordinated liabilities outstanding at that time, unless they are expressly subordinated to the Participation Certificates. The Participation Certificates do not grant a share in the liquidation proceeds.
- (c) The Participation Certificate Holders shall not be entitled to have their claims to Distribution rank prior to the distribution claims attributable to other participation certificates of the Issuer.

## [5.2 Qualified Subordination Clause and Pre-Insolvency Enforcement Block

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Participation Certificates will rank:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Participation Certificates will rank:

(a) junior to all present or future unsubordinated instruments or obligations of the Issuer;

(b) whereby:

(i) All claims under the Participation Certificates applying mutatis mutandis in accordance with section 19 (2) sentence 2 of the German Insolvency Code are subordinated to all claims of other current or future creditors in such a manner that any payments of principal and interest under the Participation Certificates may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, i.e. at the ranking position stipulated in section 39 para. (2) of the German Insolvency Code. A waiver with respect to the claims is not possible.

(ii) Payments under the Participation Certificates may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.

(iii) The Participation Certificate Holders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted or unable to pay its debts within applying mutatis mutandis the meaning of German insolvency law.

**The payment prohibition applies for an indefinite period until such time a fulfilment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. Consequently, claims arising from the Participation Certificates (including claims regarding principal and distribution) can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.**

(iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.

(v) In all other respects, the Participation Certificate Holders are entitled without restriction to assert their rights under the Participation Certificates and to claim performance.

(vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole applying mutatis mutandis within the meaning of section 328 para. (2) of the German Civil Code. Any cancellation of this subordination agreement without the creditors' cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.

(c) pari passu among themselves;

(d) senior to all present or future all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Participation Certificates;

(e) Pre-insolvency enforcement block/non-payment:

Definitions:

"Reason for opening insolvency proceedings" refers to mutatis mutandis the inability to pay within the meaning of section 17 of the German Insolvency Code, imminent inability to pay within the

meaning of section 18 of the German Insolvency Code and "overindebtedness" within the meaning of section 19 of the German Insolvency Code. Impending overindebtedness does not constitute reasons for opening insolvency proceedings.

If and to the extent that the partial or complete satisfaction of one or more or all of the Participation Certificate Holders' claims (e.g. repayment, interest and other ancillary claims) would give rise to at least one reason for opening insolvency proceedings against the Issuer, the Participation Certificate Holder cannot enforce this claim or these claims in a legally binding manner outside of insolvency proceedings (payment ban for the Participation Certificate Holder). The payment prohibition applies for an indefinite period until such time as the fulfillment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. This means that claims arising from the Participation Certificates can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.

Subordination Agreement:

In the event of insolvency proceedings on the assets of the Issuer or the liquidation of the Issuer, the claims arising from the Participation Certificates shall rank behind all non-subordinated claims and all subordinated claims within mutatis mutandis the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code.]

## **6. Exclusion of Setoff, no Security**

(a) Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under these Participation Certificates, and no contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by the Participation Certificates. The Participation Certificates are neither secured nor subject to a guarantee that enhances the seniority of the claims under the Participation Certificates. The Participation Certificates are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claims under the Participation Certificates. No subsequent agreement may limit the subordination pursuant to this Clause 6 (a).

(b) The right to set off liabilities of a Participation Certificate Holder against the Issuer with claims under the Participation Certificates is excluded.

## **7. Entitlement to Distribution**

(a) Subject to the paragraphs below and as of the Distribution Commencement Date, the Participation Certificates entitle the Participation Certificate Holders to an annual distribution (the **Distribution**). The amount of Distribution (the **Distribution Amount**) to be paid corresponds to the equivalent of the product of (i) the Aggregate Nominal Amount and (ii) the Distribution Rate. The Distribution Amount is payable from, and including, the Distribution Commencement Date to, but excluding, the Maturity Date. The Distribution Amount in relation to each Participation Certificate and in respect of each Distribution Period shall be payable in arrears on the relevant Distribution Payment Date. Each Distribution (as reflected in the relevant Financial Statements and due for payment on the relevant Distribution Payment Date) is to be made for the respective previous Financial Year of the Issuer. Distribution will not accrue in respect of each Distribution Period.

(b) If distributions are to be calculated for a Distribution Period with more or less than 365 days (the **Adjusted Distribution Period**), the Distribution Amount corresponds to the equivalent of the product of (i) the Aggregate Nominal Amount and (ii) the Distribution Rate and (iii) the Distribution Quotient. The resulting Distribution Amount shall be rounded up or down to the smallest unit of the specified currency, with 0.5 such units being rounded up.

(c) Distribution with respect to Participation Certificates are subject to the requirement that it may not result in or increase any accumulated Annual Loss. The entitlement to Distribution shall be reduced

or shall lapse to the extent as it would result in or increase an accumulated Annual Loss. In case the entitlement to a Distribution is reduced as a result of the latter limitation, the reduction shall be made in proportion to the respective distribution claims under the Participation Certificates and other outstanding subordinated liabilities that rank pari passu with the Participation Certificates and which provide for a corresponding legal mechanism. There will be no additional payment in future years (not cumulative).

(d) The Issuer may decide to pay interim Distributions (the **Interim Distribution(s)**). The Interim Distribution(s) may be calculated by the Issuer in regard to an expected Distribution Amount for each Business Year. In case the relevant Interim Distribution Amount is higher than the Distribution Amount determined in accordance with Clause 7.1, the amount exceeding the respective Distribution Amount is carried forward and will in subsequent years of the term of the Participation Certificates reduce the Distribution Amount [and/or Redemption Amount]. [In case the Interim Distribution(s) exceed(s) the Distribution Amount [and the Redemption Amount] and subject to the following sentences, the Interim Distribution(s) are repayable by the Participation Certificate Holder. The repayment of Interim Distribution(s) is subject to a notice of repayment (the **Interim Distribution(s) Repayment Notice**). The Interim Distribution(s) Repayment Notice will provide for the respective repayment date which shall not be earlier than the [20]<sup>th</sup> day upon receipt of the Interim Distribution(s) Repayment Notice. [To the extent a Participation Certificate Holder has been registered in the Register (and has not received any Interim Distribution(s) so far) subsequently the circumstance that the Issuer is entitled to demand a repayment provided for in this sub-paragraph, the Issuer is not entitled to demand a corresponding repayment of Interim Distribution(s) from such Participation Certificate Holder.]]

## **8. Redemption**

### **8.1 Final Redemption**

(a) The term of the Participation Certificates ends on the Maturity Date.

(b) Subject to the provisions of Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*), the Participation Certificates shall be redeemed at the Redemption Amount. The Redemption Amount (as well as the last Distribution Amount) is due for payment on the Maturity Date. Once all the Participation Certificates have been so redeemed, the obligations of the Issuer under these Terms and Conditions shall be fully discharged and the Participation Certificate Holders shall have no further claim or recourse against the Issuer.

(c) Subject to Clause 10.6 and to the extent the Issuer fails to pay the Redemption Amount when due, the Redemption Amount shall bear interest [[●] per cent.][the default rate of interest established by law] from and including the due date for redemption to but excluding the date of actual payment of the Redemption Amount.

### **8.2 Early Redemption at the Option of the Issuer**

(a) The Issuer may, after having terminated in accordance with the following subparagraph [and after the lapse of [five (5)][●] full Financial Years], declare due and redeem all or parts of the Participation Certificates outstanding at the Early Redemption Amount (Call Event) on the relevant Early Redemption Date (Call Event).

An early redemption in accordance with this Clause 8.2 (a) is conditional to the circumstance that there has been no Loss Participation in accordance with Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*) or the Claims of Backpayment (as defined in Clause 9.3) have been fully replenished or can be replenished at the end of the term at the end of the relevant Financial Year in which the early redemption shall take place.

The Issuer [shall][may, at its option,] issue a notice to the Participation Certificate Holders in accordance with Clause 20 (*Notices*) below by which it informs the Participation Certificate Holders about the early redemption of the Participation Certificates on the Early Redemption Date (Call Event).

(b) In addition, in the event that

- a Balance Sheet Event has occurred; and/or
- an Illegality Event; and/or
- a Tax Event has occurred,

the Issuer [shall][may, at its option,] issue a notice to the Participation Certificate Holders in accordance with Clause 20 (*Notices*) below by which it informs the Participation Certificate Holders about the early redemption of the Participation Certificates (in whole but not in part) on the Early Redemption Date (Balance Sheet Event) and the Early Redemption Date (Tax Event) respectively.

On the respective early redemption date mentioned in the latter sub-paragraph, the Issuer shall redeem each Participation Certificate by paying the Early Redemption Amount (Additional Events) to the Participation Certificate Holders. In such a case, the obligations of the Issuer under these Terms and Conditions shall be fully discharged and the Participation Certificate Holders shall have no further claim or recourse against the Issuer.

With respect to an early redemption in connection with a Balance Sheet Event, notice of termination may be given no earlier than at the end of the Financial Year preceding the Financial Year in which the relevant change in the accounting principles in connection with a Balance Sheet Event is applied for the first time. Subject to the provisions of Clause 7 (*Entitlement to Distribution*), repayment shall be made [on the 15<sup>th</sup> day after the respective Financial Statements of the Issuer have been setup, audited and approved by the Extraordinary General Meeting or Ordinary Annual General Meeting (each an **AGM**)]*[insert other time mechanism]* (the **Early Redemption Date (Balance Sheet Event)**).

With respect to an early redemption in connection with a Tax Event, notice of termination may be given no earlier than the end of the financial year preceding the Distribution in which the tax burden would first apply to the Issuer. Subject to the provisions of Clause 7 (*Entitlement to Distribution*), redemption shall take place [on the 15<sup>th</sup> day after the respective Financial Statements of the Issuer have been setup, audited and approved by the AGM]*[insert other time mechanism]* (the **Early Redemption Date (Tax Event)**).

(c) Clause 7 (b) and Clause 8.1 (c) shall apply accordingly.

### **[8.3 No Redemption at the Option of the Participation Certificate Holder**

Without prejudice to their right of early redemption in connection with an Event of Default pursuant to Clause 12 (*Events of Default*), the Holders of Participation Certificates do not have a right to demand the redemption of the Participation Certificates [except for as defined in Clause 8.4 for Early Redemption at the Option of the Holders of the Participation Certificates.]

### **[8.4 Redemption at the Option of the Holders of Participation Certificates**

(a) The Issuer shall, at the option of a Participation Certificate Holder, redeem such Participation Certificate on the Put Redemption Date at the Put Redemption Amount.

(b) In order to exercise such put option, the Participation Certificate Holder must, not less than [130][●] Payment Business Days nor more than [195][●] Payment Business Days before the relevant Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Paying Agent an notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. Maltese time on the [130<sup>th</sup>][●] calendar day before

the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Participation Certificate(s) in respect of which such option is exercised, and (ii) the International Security Code of such Participation Certificates, if any. The Put Notice may be in the form available and obtained from the specified offices of the Paying Agent in the English [and] [or German] language and includes further information. No put option so exercised may be revoked or withdrawn.]

## **9. Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment**

### **9.1 Loss Participation**

The Participation Certificate Holders participate in the Annual Loss of a Financial Year to the full amount (the **Loss Participation**). In the amount of the relevant Annual Loss, the repayment claim of the Participation Certificate Holders shall be reduced [in the ratio in which the Aggregate Nominal Amount of the Participation Certificates stands to the total amount of participatory capital shown in the balance sheet (taken from the respective Financial Statements) and other outstanding subordinated liabilities that provide for a corresponding loss participation,][senior to any other loss transferable instruments of the Issuer (including, but not limited, to all individual items of equity),] if applicable up to the full amount. [Losses carried forward and accumulated losses from previous Financial Years [[and][or] the current Financial Year] shall not be taken into account.] [The Issuer is obliged to avoid reporting an Annual Loss by using reserves (to the extent legally permissible) or profits carried forward.]

### **9.2 Replenishment of Repayment Claims**

After participation in a Loss Participation, the repayment claims must be replenished in subsequent Financial Years up to the Aggregate Nominal Amount of the Participation Certificates (the **Replenishment**) if and to the extent that this does not result in or increase an Annual Loss. The replenishment shall take precedence over a Distribution on the Participation Certificates. [The Participation Certificates shall be replenished with priority over silent participations.] An obligation to replenish repayment claims applies to the extent an Annual Profit would arise during the term of the Participation Certificates without replenishment.

The Replenishment shall have priority over the allocation of reserves (to the extent legally permissible). If the equivalent amount of an Annual Profit is not sufficient for the full replenishment of the Participation Certificates and other outstanding subordinated liabilities of the Issuer which rank *pari passu* with the Participation Certificates and provide for a corresponding provision, the Replenishment of the capital of the Participation Certificates shall be carried out proportionately in the ratio of their total Aggregate Nominal Amount to the aggregate nominal amount of the other outstanding subordinated liabilities. This shall also apply accordingly to other participation certificates to be issued in the future, provided that their terms and conditions stipulate a corresponding replenishment claim.

### **9.3 Claim for Backpayment**

Any differential amount between the Aggregate Nominal Amount of the Participation Certificates and the amount repaid (on the respective day of redemption) due to a reduction of the repayment claim pursuant to Clause 9.1 shall be paid in arrears in accordance with the following sentences (the **Claim for Backpayment**): There shall be no subsequent payment of reduced or cancelled Distributions. If, after participation in a Loss Participation at the end of the term of the Participation Certificates (or in case of a premature redemption), an Annual Profit would arise in the following three Financial Years of the Issuer without corresponding Replenishments, the Claim for Backpayment under the Participation Certificates shall first be satisfied before any other appropriation of profits is made. To the extent the relevant Annual Profit is not sufficient to make a full subsequent payment in respect of the Participation Certificates and other outstanding subordinated liabilities of the Issuer ranking *pari passu* with the Participation Certificates and provide for a corresponding

provision, the subsequent payment shall be made pro rata in the following ratio: Claim for Backpayment to the claim for subsequent payment under the other outstanding subordinated liabilities of the Issuer.

## **10. Payments**

### **10.1 Payments on the Participation Certificates**

Subject to as provided below, payments in respect of the Participation Certificates will be made by credit or transfer to the account of the relevant Participation Certificate Holder the details of which are recorded in the Register at a given time. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Participation Certificates shall be made in the Specified Currency. [If the Issuer determines that it is impossible to make payments of amounts due on the Participation Certificates in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Participation Certificate Holders shall not be entitled to further interest or any additional amounts as a result of such payment.]

### **10.2 Discharge**

The Issuer shall be discharged by payment to the account of the relevant Participation Certificate Holder which is recorded in the Register.

### **10.3 Determinations**

(a) All calculations to be made under these Terms and Conditions will be made by the Calculation Agent appointed by the Issuer.

(b) In the absence of the Calculation Agent's wilful misconduct, bad faith or manifest error, the calculations of the Calculation Agent will be binding on the Participation Certificate Holders.

### **10.4 Fractions**

When making payments to the Participation Certificate Holders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

### **10.5 Payments subject to Fiscal Law**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. A payment made in accordance with the provisions of this Clause 10 (*Payments*) above shall be a good discharge for the Issuer.

### **10.6 Payment Business**

If the due date for any payment in respect of the Participation Certificates would otherwise fall on a calendar day which is not a Payment Business Day, the Participation Certificate Holders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **10.7 General Provisions applicable to Payments**

Each payment in respect of the Participation Certificates or to the account of the Paying Agent in the manner provided in the agreement between the Issuer and the Paying Agent shall operate in

satisfaction pro tanto of the relative payment obligation of the Issuer in respect of such Participation Certificates.

## **11. Purchase and Cancellation**

### **11.1 Purchase**

The Issuer may at any time purchase Participation Certificates at any price. Such Participation Certificates must be cancelled forthwith. There is no obligation to redeem Participation Certificates.

### **11.2 Cancellation**

All Participation Certificates redeemed by the Issuer upon a Full Repayment will be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Participation Certificates shall be discharged.

## **12. Events of Default**

Subject to Clause 5 (Status) and, in particular, subject to the qualified subordination clause and any pre-insolvency enforcement block set out therein, each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event (each an **Event of Default**) that:

(i) the Issuer fails to pay any amount which is due and payable and legally enforceable under the Participation Certificates within 30 calendar days from the relevant due date unless such non-payment results from, or is made in accordance with, the payment restrictions set out in Clause 5; or

(ii) the Issuer fails duly to perform any other material non-payment obligation arising from the Participation Certificates other than any obligation the performance of which is restricted by Clause 5, which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Paying Agent has received notice thereof from a Participation Certificate Holder; or

(iii) the Issuer suspends payment or announces its inability to pay its debts other than any non-payment or payment suspension made in accordance with Clause 5; or

(iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or

(v) the Issuer goes into liquidation (including a voluntary liquidation) unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Participation Certificates.

(b) The right to declare Participation Certificates due shall terminate if the situation giving rise to it has been cured before the right is exercised. Any notice, including any notice declaring Participation Certificates due, in accordance with subparagraph shall be made by means of a written declaration in the English [and] [or German] language and sent to the specified office of the Paying Agent together with proof that such Participation Certificate Holder at the time of such notice is a holder of the relevant Participation Certificates in any appropriate manner. The Participation Certificates shall be redeemed following receipt of the notice declaring Participation Certificates due. For the avoidance of doubt, any Early Redemption Amount, distributions or other amounts payable following a declaration under this Clause 12 remain subject to Clause 5. No Noteholder may demand, enforce or receive payment of any such amount to the extent payment is prohibited or restricted under Clause 5.

## **13. Calculation Agent, Paying Agent and Registrar and Transfer Agent**

### **13.1 Appointment and Specified Offices**

#### **Initial Calculation Agent:**

[Timberland Securities Investment plc  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[•]

#### **Initial Paying Agent:**

[Timberland Securities Investment plc  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[•]

#### **Initial Registrar and Transfer Agent:**

[Timberland Securities Investment plc  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[•]

The expressions "Calculation Agent", "Paying Agent" and "Registrar and Transfer Agent" shall in each case include any successor calculation agent or successor paying agent or successor registrar and transfer agent, respectively.

### **13.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Participation Certificate Holders, to vary or terminate the appointment of each of the Calculation Agent, the Paying Agent and the Registrar and Transfer Agent, provided that the Issuer will at all times maintain a Calculation Agent, a Paying Agent and a Registrar and Transfer Agent (each having a specified office in the European Union). Notice of any such change will promptly be given to the Participation Certificate Holders in accordance with Clause 20 (*Notices*).

### **13.3 Agents of the Issuer**

The agents mentioned in Clause 13.1 act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Participation Certificate Holder.]

## **14. Exclusion of Membership Rights**

The Participation Certificates grant creditor rights but under no circumstances the following membership rights: (in particular) no subscription rights to new Participation Certificates, no entitlement to participate in the liquidation proceeds of the Issuer and no participation and voting rights.

## **15. Taxation**

## 15.1 Withholding Taxes and Additional Amounts

All amounts payable in respect of the Participation Certificates shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (the **Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Participation Certificate Holder, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(i) are payable by any person acting as custodian bank or collecting agent on behalf of a Participation Certificate Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or

(ii) are payable by reason of the Participation Certificate Holder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Participation Certificates are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(iii) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(iv) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 20 (*Notices*), whichever occurs later.

## 16. Prescription

(a) Subject to subparagraph (b), claims against the Issuer for payment in respect of the Participation Certificates shall be prescribed and become void unless made within [ten years][*insert other period*] from the date on which the relevant payment first becomes due.

(b) In the case of the Distribution Amount, respective claims against the Issuer shall be prescribed and become void unless made within [ten years][*insert other period*] from the date on which the relevant payment first becomes due.

## 17. Meeting of Participation Certificate Holders

[Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Participation Certificates.]

[The Base Prospectus in respect of the Participation Certificates contains detailed provisions for convening (i) meetings of the Participation Certificate Holders and (ii) joint meetings of holders of more than one series of Participation Certificates issued by the Issuer (including, where applicable, the Participation Certificates). [The respective conditions are set out in Final Terms (*Part III – Provisions for Meetings of Participation Certificate Holders*).]

## 18. Modification

(a) The Issuer may make, without the consent of the Participation Certificate Holders, any modification to the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Participation Certificates.

(b) Any such modification shall be binding on the Participation Certificate Holders and any such modification shall be notified to the Participation Certificate Holders by way of a notice in accordance with Clause 20 (*Notices*).

(c) No modifications to the Terms and Conditions may be made by the Participation Certificate Holders without the Issuer's written consent.

## **19. Further Issuances, no Subscription Rights**

(a) The Issuer may from time to time, without the consent of the Participation Certificate Holders issue further participation certificates (i) having the same terms and conditions in all respects as the outstanding Participation Certificates except for the Issue Date, so that such further issue shall be consolidated and form a single series with the outstanding Participation Certificates, and references in these Terms and Conditions to the Participation Certificates shall be construed accordingly or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue. The Issuer will inform the existing Participation Certificate Holders of any issuance of further Participation Certificates pursuant to (ii) via a notice in accordance with Clause 20 (*Notices*).

(b) The Participation Rights do not grant any subscription rights to further Participation Certificates.

## **20. Notices**

### **20.1 Notices of the Issuer**

[(a)] All notices of the Issuer concerning the Participation Certificates [shall be][may be] published in [a national daily newspaper (such as, but not limited to, the [*insert publication medium*]] or in electronic form on the website of the Issuer [( [*insert website*]] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer)[*insert other website*][or any successor website [in each case] thereof]. Any notice so given will be deemed to have been validly given on the [5<sup>th</sup>][●] calendar day following the date of such publication (or, if published more than once, on the [5<sup>th</sup>][●] calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[(b) Notices to Participation Certificate Holders [will be][may be] mailed to their registered addresses and shall be deemed to have been served at the expiration of [twenty-four (24)][●] hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Participation Certificate Holders at his registered address and posted.]

### **20.2 Form of Notice to be given by any Participation Certificate Holder**

All notices regarding the Participation Certificates which are to be given by any Participation Certificate Holders to the Issuer shall be validly given if delivered in writing in English [and][or] [German] language to the Issuer or the Paying Agent (for onward delivery to the Issuer) by hand or mail.

## **[21. Substitution of the Issuer**

### **21.1 Substitution**

The Issuer shall be entitled at any time, without the consent of the Participation Certificate Holders, if no payment of principal of any of the Participation Certificates is in default, to substitute for the Issuer another person (the **Substitute Issuer**) as principle debtor under all Participation Certificates in respect of any and all obligations arising from and in connection with the Participation Certificates in the following cases:

(A) substitution to related entities, subsidiaries, parent companies, sister companies, companies in which a participation exists or which have a participation in the Issuer; or

(B) substitution to a Substitute Issuer which is on the date of such substitution in the opinion of the Issuer, of at least the equivalent standing and creditworthiness to the Issuer provided that:

(a) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;

(b) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Participation Certificates) from the authorities of the country in which it has its registered office;

(c) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Participation Certificate Holders and the Substitute Issuer has agreed to indemnify and hold harmless each Participation Certificate Holder against any tax, duty, assessment or governmental charge imposed on such Participation Certificate Holder in respect of such substitution,

and to the extent

(i) the Substitute Issuer accepts and takes over all rights and obligations of the Issuer in relation to the Participation Certificates;

(ii) the Issuer and the Substitute Issuer have obtained all necessary authorisations and are authorised to convert the amounts payable to fulfil the payment obligations under the Participation Certificates without being obliged to pay any amounts payable in Euro in the country in which the Issuer and the Substitute Issuer have their registered office or tax domicile, without being obliged to deduct taxes or other duties of any kind;

(iii) the Substitute Issuer has undertaken to indemnify the Participation Certificate Holders in respect of such taxes, duties or other charges imposed on the Participation Certificate Holder in respect of the Substitution; and

(iv) the substitution does not result in an increased burden on the Substitute Issuer with capital gains or other withholding tax, any income tax or trade tax or other income tax.

Notice of any such substitution shall be given to the Participation Certificate Holders in accordance with Clause 20 (*Notices*).

The Issuer will not guarantee the obligations of the Substitute Issuer under the Participation Certificates after the substitution(s). The Participation Certificate Holders, by subscribing for, or otherwise acquiring, the Participation Certificates, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Condition 21 (*Substitution of the Issuer*) and to the release of the Issuer from any and all obligations in respect of the relevant Participation Certificates and these presents; and (ii) accepted such substitution(s) and the consequences thereof.

After the substitution(s) of the Issuer by [one or more][a] Substitute Issuer(s)], this Clause 21 (*Substitution of the Issuer*) shall apply again. In the event of such a substitution, every reference in these Terms and Conditions to the Issuer shall be deemed to refer to the [relevant] Substitute Issuer(s).

## **21.2 Change of References**

In the event of any such substitution(s), any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Issuer and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Issuer.

## **[21.3 Further Substitution**

After a substitution pursuant to Clause 21.1, the Substitute Issuer may, without the consent of any Participation Certificate Holders, effect a further substitution. All the provisions specified in Clause 21.1 and Clause 21.2 shall apply *mutatis mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.]

## **[[21.3][21.4] Reverse Substitution**

After a substitution pursuant to Clause 21.1 [or Clause 21.3] any the Substitute Issuer may, without the consent of any Participation Certificate Holder, reverse the substitution, *mutatis mutandis*.]]

## **[[21.][22.] Information Right**

Participation Certificates Holders may request a copy of the Financial Statements of the Issuer from the Issuer.]

## **[21.][22.][23.] Governing Law, Place of Jurisdiction and Enforcement**

### **[21.1][22.1][23.1] Governing Law**

The Participation Certificates, as to form and content, and all rights and obligations of the Participation Certificate Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for [the qualified subordination clause as governed by Clause 5.2, which shall be applying *mutatis mutandis* in the meaning to the laws of Germany unless mandatory rules and laws of another EU member state apply and] Clause 17 (*Meeting of Participation Certificate Holders*) to the extent that mandatory rules and laws of another EU member state apply.

### **[21.2][22.2][23.2] Place of Jurisdiction**

Subject to sentence 2, the courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Participation Certificates. [The courts of [Duisburg, Germany] [●] [*insert other court in Germany*] shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 5.2.]

### **[21.3][22.3][23.3] Enforcement**

Any Participation Certificate Holder may in any Proceedings against the Issuer, or to which such Participation Certificate Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Participation Certificates (a) stating the full name and address of the Participation Certificate Holder and (b) specifying the aggregate principal amount of the Participation

Certificates. Each Participation Certificate Holder may, without prejudice to the foregoing, protect and enforce its rights under the Participation Certificates also in any other way which is admitted in the country of the Proceedings.

## [22.][23.][24.] Definitions

For the purposes of the Participation Certificates, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 15.1.

**Adjusted Distribution Period** has the meaning given to such term in Clause 7 (*Entitlement to Distribution*).

**Aggregate Nominal Amount** has the meaning given to such term in Clause 2 (*Specified Currency, Aggregate Nominal Amount and Nominal Amount*).

[AGM has the meaning given to such term in Clause 8.2 (b).]

[AGM Date means the day of an AGM of the Issuer on which the audited Financial Statements of the Issuer for the relevant Business Year have been approved by the Annual General Meeting of the shareholders of the Issuer.]

**Annual Loss** means an annual loss of the Issuer (as reflected in the respective Financial Statements of the Issuer) [and which has, for purposes of calculating the Distribution Amount, been transferred into the Specified Currency using the Exchange Rate].

**Annual Profit** means the annual profit of the Issuer (as reflected in the respective Financial Statements of the Issuer) [and which has, for purposes of calculating the Distribution Amount, been transferred into the Specified Currency using the Exchange Rate].

[Applicable Exchange Rate means [●].]

[Articles 470-3 – 470-19 of the Companies Act 1915 has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).]

**Balance Sheet Event** means a change in the Maltese accounting principles that results that funds raised by the issue of the Participation Certificates are not or not fully used or may no longer be reported as equity capital in accordance with Maltese GAAP.

**Business Day Financial Centre** means [Valletta] [and] [Luxembourg] [*insert other or additional business day financial centre(s)*].

**Business Year** means [a financial year for the period from January 1<sup>st</sup> to December 31<sup>st</sup> in each year during operation of the Issuer, whereby the first Business Year is defined as the period from the date of incorporation of the Issuer until the following December 31<sup>st</sup>][●].

**Calculation Agent** means [Timberland Securities Investment plc][●].

**Claim for Backpayment** has the meaning given to such term in Clause 9.3.

**Code** has the meaning assigned to it in Clause 15.2.

**Distribution** means a share of the Annual Profit of the Issuer that shall be paid (to Participation Certificate Holders in accordance with Clause 7 (*Entitlement to Distribution*)) and satisfied with priority over dividends to shareholders of the Issuer.

**Distribution Amount** has the meaning given to such term in Clause 7 (*Entitlement to Distribution*).

**Distribution Commencement Date** means [●].

**Distribution Payment Date** means [15 Business Payment Days subsequent to the AGM Date in each year, commencing in [●] and ending on the Maturity Date][●].

**Distribution Period** means [the period from (and including) the Distribution Commencement Date to (but excluding) the first Distribution Payment Date and thereafter from (and including) each Distribution Payment Date to (but excluding) the next following Distribution Payment Date][●].

**Distribution Quotient** means [the quotient of (i) the actual number of days falling into the relevant Adjusted Distribution Period divided by (ii) the actual number of days falling into the relevant Financial Year][●].

**Distribution Rate** means [[●] per cent. per annum][●].

**Early Redemption Amount** corresponds to [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*). For avoidance of doubt, the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*) shall apply for the full business year in which the Early Redemption Date falls into][●].

**Early Redemption Amount (Additional Events)** corresponds to [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9. For avoidance of doubt, the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*) shall apply for the full business year in which the Early Redemption Date falls into][●].

**Early Redemption Amount (Call Event)** corresponds to [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9. For avoidance of doubt, the mechanism provided for in Clause 9 shall apply for the full business year in which the Early Redemption Date falls into][●].

**Early Redemption Date (Balance Sheet Event)** has the meaning given to such term in Clause 8.2 (b).

**Early Redemption Date (Call Event)** means [●].

**Early Redemption Date (Illegality Event)** means [a day not later than the 10<sup>th</sup> Business Day after the occurrence of an Illegality Event][●].

**Early Redemption Date (Tax Event)** has the meaning given to such term in Clause 8.2 (b).

**Event of Default** has the meaning given to such term in Clause 12.2.

[Exchange Rate means [●].]

FATCA has the meaning assigned to it in Clause 15.2.

**Financial Statements** means each annual financial statements the Issuer starting with the annual financial statements for the Financial Year [*insert year*].

**Financial Year** means each financial year of the Issuer starting with the financial year [*insert financial year in which the Distribution Commencement Day falls*].

**Full Repayment** means that the Issuer has paid in full to (as the case may be) the Participation Certificate Holders all amounts due (as applicable) and payable under the Terms and Conditions on each Participation Certificate to be redeemed.

[Germany means the Federal Republic of Germany.]

**Illegality Event** means that the Issuer determines in good faith that the performance of its obligations under the Participation Certificates has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof.

**Interim Distribution(s)** has the meaning assigned to it in Clause 7 (d).

[**Interim Distribution(s) Repayment Notice** has the meaning assigned to it in Clause 7 (d).]

**Luxembourg** means the Grand Duchy of Luxembourg.

**Malta** means the Republic of Malta.

**Issue Date** means [●].

**Issuer** has the meaning given to such term in Clause 1.1.

**Issuer Register** has the meaning given to such term in Clause 2.1.

**Loss Participation** has the meaning given to such term in Clause 9.1.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Maturity Date** means [●].

**Nominal Amount** has the meaning given to such term in Clause 2 (*Specified Currency, Aggregate Nominal Amount and Nominal Amount*).

**Participation Certificate Holder** means each person holding one or more Participation Certificate(s).

**Paying Agent** means [Timberland Securities Investment plc][●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

**Put Notice** has the meaning given to such term in Clause 8.4 (b).

**Put Redemption Amount** means [the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9 (*Loss Participation, Replenishment of Repayment Claims, Claim for Backpayment*)] [●].

**Put Redemption Date** means [●].

**Proceedings** has the meaning given to such term in Clause 22.2.

**Redemption Amount** means the Nominal Amount of the Participation Certificates whereby the Nominal Amount is to be determined in accordance with the mechanism provided for in Clause 9.

**Register** has the meaning given to such term in Clause 2.1.

**Registrar and Transfer Agent** means [Timberland Securities Investment plc] [and] [●].

**Replenishment** has the meaning assigned to it in Clause 9.2.

**Specified Currency** has the meaning assigned to it in Clause 1.2 (*Specified Currency, Aggregate Nominal Amount and Nominal Amount*).

**Substitute Issuer** has the meaning assigned to it in Clause 21.1 (*Substitution of the Issuer*).

[**Successor Currency** has the meaning assigned to it in Clause 10.1.]

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

**Tax Event** means any amendment to or change in the laws or regulations of Malta or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date pursuant to which (i) the Issuer would be required to pay additional amounts or (ii) Distributions no longer lead, in whole or in part, to a reduction in the tax base for trade income tax or corporation tax.

**Withholding Taxes** has the meaning assigned to it in Clause 15.1.

### III. OPTION III – TERMS AND CONDITIONS OF THE EQUITY PARTICIPATION INSTRUMENTS IN BEARER FORM

The following is the text of the terms and conditions applicable to the Equity Participation Instruments in bearer form. [The final terms and conditions of the Equity Participation Instruments in bearer will be an integral part of the respective global note.]

[The final terms and conditions of the Equity Participation Instruments in bearer form, including the complete relevant placeholders, will be included in "Part I – Terms and Conditions of the Equity Participation Instruments" in the relevant Final Terms.]

#### TERMS AND CONDITIONS

The equity participation instruments in bearer form (the **Equity Participation Instrument(s)**) [*insert instrument name: [or] "[●]"*] are governed by the following terms and conditions (together, the **Terms and Conditions** and each clause of the Terms and Conditions, a **Clause**).

#### 1. Issuer, Currency, Aggregate Nominal Amount and Nominal Amount

##### 1.1 Issuer

The Issuer of the Equity Participation Instruments is Timberland Securities Investment plc, a Public Limited Liability Company, established under the laws of Malta, having its registered office at CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta (the **Issuer**).

##### 1.2 Specified Currency, Aggregate Nominal Amount and Nominal Amount

The Equity Participation Instruments are being issued in the aggregate nominal amount of [up to] [EUR][SEK][*insert other currency*] [insert amount] (in words: [*insert amount and currency in words*]) (the **Aggregate Nominal Amount**) in the denomination of [EUR][SEK][*insert other currency*] [*insert amount*] (the **Nominal Amount**). The Specified Currency is [Euro][Swedish Krona][*insert other currency*].

#### 2. Form and Title

##### 2.1 Form

- (a) The Equity Participation Instruments are being issued in bearer form.
- (b) Equity Participation Instruments are in bearer form and will, in the case of definitive Equity Participation Instruments, be serially numbered. Equity Participation Instruments may not be exchanged for instruments in registered form.
- (c) Each Equity Participation Instrument is issued by the Issuer with a nominal value equal to the Nominal Amount.
- (d) Upon issue, all the Equity Participation Instruments will be represented by a permanent global certificate in bearer form (the **Global Note**). The Global Note shall bear the signatures of [one][two] authorised [signatory][signatories] of the Issuer. The right of the Participation Instrument Holder to request the issue and delivery of definitive Equity Participation Instruments is excluded.
- (e) The Global Note will be kept in custody by or on behalf of the [Common Depository][Clearing System] as central depository for securities (*Wertpapiersammelbank*) until all obligations of the Issuer under the Equity Participation Instruments have been satisfied.

## **2.2 Title**

(a) Subject as set out below, title to the Equity Participation Instruments will pass by delivery. The Issuer and the Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Equity Participation Instruments as the absolute owner thereof (whether or not the Equity Participation Instruments is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of the Equity Participation Instruments represented by a Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

(b) For so long as the Equity Participation Instruments are represented by a Global Note held on behalf of the Clearing System, each person (other than the Clearing System) who is for the time being shown in the records of the Clearing System as the holder of a particular nominal amount of such Equity Participation Instruments (in which regard any certificate or other document issued the Clearing System as to the nominal amount of such Equity Participation Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) (the **Records**) shall be treated by the Issuer and the Paying Agent as the holder of such nominal amount of such Equity Participation Instruments for all purposes other than with respect to the payment of distributions, if any, or any Settlement Amount on such nominal amount of such Equity Participation Instruments, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Equity Participation Instruments in accordance with and subject to the terms of the relevant Global Note and the expression holder of Equity Participation Instruments and related expressions shall be construed accordingly.

## **3. Transfer**

Equity Participation Instruments which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of the Clearing System. References to the Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system that may be approved by the Issuer and the Paying Agent.

## **4. Status, Ranking[, Qualified Subordination Clause and Pre-Insolvency Enforcement Block]**

### **[4.1] Status and Ranking**

(a) The Equity Participation Instruments constitute direct, unsecured and subordinated obligations of the Issuer.

(b) Claims arising from the Equity Participation Instruments rank behind the claims of all other non-subordinated creditors of the Issuer. In the event of insolvency proceedings over the assets or liquidation of the Issuer, the Equity Participation Instruments will be redeemed after satisfaction of all non-subordinated creditors, ranking pari passu with all other subordinated liabilities outstanding at that time, unless they are expressly subordinated to the Equity Participation Instruments. The Equity Participation Instruments do not grant a share in the liquidation proceeds.

(c) The Participation Instrument Holder shall not be entitled to have their claims to Distribution rank prior to the distribution claims attributable to other Equity Participation Instruments of the Issuer.

### **[4.2 Qualified Subordination Clause and Pre-Insolvency Enforcement Block]**

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Equity Participation Instruments will rank:

(a) junior to all present or future unsubordinated instruments or obligations of the Issuer;

(b) whereby:

(i) All claims under the Equity Participation Instruments applying mutatis mutandis in accordance with section 19 (2) sentence 2 of the German Insolvency Code are subordinated to all claims of other current or future creditors in such a manner that any payments of Settlement Amount and distributions under the Equity Participation Instruments may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code, i.e. at the ranking position stipulated in section 39 para. (2) of the German Insolvency Code. A waiver with respect to the claims is not possible.

(ii) Payments under the Equity Participation Instruments may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.

(iii) The Participation Instrument Holder may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted or unable to pay its debts within applying mutatis mutandis the meaning of German insolvency law.

**The payment prohibition applies for an indefinite period until such time a fulfilment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. Consequently, claims arising from the Equity Participation Instruments (including claims regarding Settlement Amount and distribution) can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.**

(iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.

(v) In all other respects, the Participation Instrument Holders are entitled without restriction to assert their rights under the Equity Participation Instruments and to claim performance.

(vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole applying mutatis mutandis within the meaning of section 328 para. (2) of the German Civil Code. Any cancellation of this subordination agreement without the creditors' cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.

(c) pari passu among themselves;

(d) senior to all present or future all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Equity Participation Instruments;

(e) Pre-insolvency enforcement block/non-payment:

Definitions:

"Reason for opening insolvency proceedings" refers to mutatis mutandis the inability to pay within the meaning of section 17 of the German Insolvency Code, imminent inability to pay within the meaning of section 18 of the German Insolvency Code and "overindebtedness" within the meaning of section 19 of the German Insolvency Code. Impending overindebtedness does not constitute reasons for opening insolvency proceedings.

If and to the extent that the partial or complete satisfaction of one or more or all of the Participation Instrument Holders' claims (e.g. repayment, interest and other ancillary claims) would give rise to at least one reason for opening insolvency proceedings against the Issuer, the Participation Instrument Holder cannot enforce this claim or these claims in a legally binding manner outside of insolvency proceedings (payment ban for the Participation Instrument Holder). The payment prohibition applies

for an indefinite period until such time as the fulfillment of the claim by the Issuer no longer gives rise to a reason for opening insolvency proceedings or all other creditors of the Issuer have agreed to the lifting of the payment prohibition. This means that claims arising from the Equity Participation Instruments can only be legally enforced outside insolvency proceedings once the payment prohibition has been lifted.

Subordination Agreement:

In the event of insolvency proceedings on the assets of the Issuer or the liquidation of the Issuer, the claims arising from the Equity Participation Instruments shall rank behind all non-subordinated claims and all subordinated claims within mutatis mutandis the meaning of section 39 para. (1) sentence 1 (nos. 1 to 5) of the German Insolvency Code.]

## **5. Exclusion of Setoff, no Security**

(a) Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under these Equity Participation Instruments, and no contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by the Equity Participation Instruments. The Equity Participation Instruments are neither secured nor subject to a guarantee that enhances the seniority of the claims under the Equity Participation Instruments. The Equity Participation Instruments are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claims under the Equity Participation Instruments. No subsequent agreement may limit the subordination pursuant to this Clause 5 (a).

(b) The right to set off liabilities of the Participation Instrument Holder(s) against the Issuer with claims under the Equity Participation Instruments is excluded.

## **6. Participation Mechanism**

The following participation mechanism shall apply to the Equity Participation Instruments:

### **6.1 Participation in the Participation Pool**

(a) Subject to Clause 6.2, Equity Participation Instruments participate in the Participation Pool for the relevant Financial Year.

(b) Participation in the Participation Pool shall commence on the relevant Participation Commencement Date.

(c) Participation in the Participation Pool shall be calculated pro rata temporis, taking into account the relevant number of Participation Days within the relevant Participation Period.

(d) No interim financial statements or partial period profit determinations shall be required.

### **6.2 Profit Participation**

(a) In each Financial Year, Equity Participation Instruments participate in the Participation Pool proportionally according to their share of the Total Equity Participation Instruments Capital. Subject to the following paragraphs below, Participation Instrument Holder(s) are entitled to Distributions.

(b) Distributions shall only be made to the extent the Participation Pool for the relevant Financial Year is greater than [EUR 0.00].

(c) Payments of Distributions shall be made within 14 business days after the final adoption of the Annual Financial Statements, but no later than [date].

### **6.3 Loss Participation**

- (a) Loss participation occurs solely through the reduction of the Net Equity Value.
- (b) An Annual Loss of the Issuer shall reduce the Net Equity Value.
- (c) An Annual Loss shall not reduce the Nominal Amount of the Equity Participation Instruments.

### **6.4 Non-Distributed Amounts**

- (a) If the Participation Pool is not distributed in full, undistributed Distributions shall not give rise to any claim for later payment or distributions [or [any kind of] interest].
- (b) Any undistributed Distributions shall remain within the equity of the Issuer and thereby increase the Net Equity Value.

### **6.5 Settlement Amount**

- (a) Upon termination of the Equity Participation Instruments, the Participation Instrument Holder(s) shall receive a Settlement Amount.
- (b) The Settlement Amount shall not exceed the Nominal Amount, but may be below the Nominal Amount or equal to zero as a result of loss participation pursuant to Clause 6.3.
- (c) The Settlement Amount shall fall due and be payable within [14] Business Days after the final adoption of the Annual Financial Statements for the Financial Year in which the termination becomes effective, but no later than [insert date/month] of the following Financial Year.

### **6.6 Relevant Financial Statements**

- (a) The Net Equity Value shall be determined based on the most recent Annual Financial Statements prepared by the Issuer.
- (b) If audited financial statements are not yet available, the relevant calculation in connection with these Terms and Conditions shall be based on the respective prepared but unaudited financial statements.
- (c) Subsequent audits or later confirmations of such financial statements shall generally not affect the already determined Settlement Amount. However, if the audited financial statements differ from the unaudited statements used for calculation, the Settlement Amount shall be adjusted accordingly (upwards or downwards), provided that either (i) the payment has not yet been made or (ii) the adjustment is claimed by either party within three (3) months after the date of payment. After this period, the determined Settlement Amount shall be final and binding.

### **6.7 Subsidiaries**

[

- (a) Where assets of the Issuer are held through a Subsidiary Company, the Net Equity Value shall include the proportionate equity value of such Subsidiary Company corresponding to the Issuer's ownership interest.
- (b) The equity of such Subsidiary Company shall be determined on the basis of its respective balance sheets prepared under applicable local GAAP accounting standards.

]

[Not applicable.]

## 6.8 Definitions

In addition to Clause 20 and in particular for purposes of this Clause 6 the following definitions apply. Unless otherwise specified, each line item used in these definitions shall be taken from the relevant Annual Financial Statements prepared in accordance with Local GAAP:

**Annual Financial Statements** means the financial reports of the Issuer for a completed fiscal year (comprising the balance sheet, the income statement, the cash flow statement, and the statement of changes in equity, along with the explanatory notes) which have been prepared in accordance with applicable Local GAAP and, if required by law or the Issuer's articles of association, audited.

**Annual Net Profit** means the annual net profit of the Issuer for each Financial Year as reported in the relevant Annual Financial Statements of the Issuer.

**Annual Loss** means the annual loss of the Issuer for each Financial Year as reported in the relevant Annual Financial Statements of the Issuer.

**Distributable Profit** means the annual net profit of the Issuer for each Financial Year as reported in the relevant Annual Financial Statements

plus

- retained earnings carried forward

minus

- loss carry forwards

- mandatory legal reserves

- any reserves required under applicable accounting rules.

Voluntary reserves shall only reduce the Distributable Profit to the extent that this is required, based on reasonable commercial judgment, to ensure the sustainable continuation of the company, to cover a specifically foreseeable investment need, or to comply with customary banking equity ratios (covenants). The formation of such reserves shall not disproportionately restrict the distribution to the Participation Instrument Holder(s) without an objective reason.

**Distributions** means an amount (expressed in Euro) corresponding to the product of the relevant Participation Pool determined for the relevant Financial Year and the quotient of (i) the Nominal Amount of the Equity Participation Instruments and (ii) the Total Equity Participation Instruments Capital.

**Financial Year** means the financial year of the Issuer, currently running from [date] to [date], unless otherwise determined by the Issuer in accordance with applicable law.

**Liabilities** means all obligations of the Issuer ranking senior to the Equity Participation Instruments, including in particular:

- bank loans

- bonds

- promissory note loans

- other financial indebtedness.

This applies irrespective of whether such liabilities are owed to

- financial institutions

- shareholders
- affiliated companies
- related parties.

Liabilities ranking pari passu with or junior to the Equity Participation Instruments shall not be treated as Liabilities for purposes of the calculation of the Net Equity Value.

**Local GAAP** means Generally Accepted Accounting Principles and refer to the specific accounting rules and standards established by Malta.

**Net Equity Value** means the equity value of the Issuer determined on the basis of the relevant Annual Financial Statements plus any undistributed Distributions according to Clause 6.4 (if any), whereby hidden reserves, hidden liabilities and market value adjustments shall not be considered.

For purposes of determining the Net Equity Value, the Equity Participation Instruments and its corresponding Aggregate Nominal Amount shall not be treated as Liabilities of the Issuer. No valuation of the Issuer based on market valuation methodologies shall be performed.

**Participation Commencement Date** means the first day each calendar quarter (i.e. 1 January, 1 April, 1 July and 1 October) following the Subscription Date.

**Participation Day** means each day a Participation Instrument Holder has a proportionate co-ownership in the Global Note.

**Participation Period** means the period from 1 January to, and including, 31 December of each Financial Year.

**Participation Pool** means an amount (expressed in Euro) corresponding to the product of Distributable Profit and the Pool Factor (in each case for the relevant Financial Year).

**Pool Factor** means a factor (expressed as a percentage) which shall be determined annually by the Issuer and which will be set in a range of [20][●]% - [40][●]%.

**Settlement Amount** means an amount in Euro corresponding to the lower of the following two amounts: (i) the Nominal Amount of the respective Equity Participation Instruments; or (ii) the amount resulting from the product of the Net Equity Value and the quotient of (i) the Total Equity Participation Instruments Capital and (ii) the Total Economic Equity.

**Subscription Date** means [*insert date or description*].

[**Subsidiary Company** means [*insert description*].]

**Total Economic Equity** means the aggregate of

- ordinary share capital
- preferred share capital
- capital reserve
- retained earnings
- profit/loss carried forward
- annual net profit/loss
- Total Equity Participation Instruments Capital.

**Total Equity Participation Instruments Capital** means the aggregate nominal amount of all issued Equity Participation Instruments at the relevant time.

**For the avoidance of doubt: The Participation Instrument Holder(s) expressly acknowledge and agree that the Net Equity Value is a pure accounting value. Consequently, the Net Equity Value (and thus the Settlement Amount) may differ substantially from, and may be significantly lower than, the fair market value of the Issuer's assets or the enterprise value of the Issuer as a whole.**

## **7. Term and Termination**

### **7.1 Term**

The Equity Participation Instruments are issued without a fixed maturity.

### **7.2 Termination (Issuer Call)**

(1) The Issuer may terminate the Equity Participation Instruments for the first time after a minimum period of [*insert number*] [●] [years][and] [*insert number*] [●] [months].

(2) Upon termination of the Equity Participation Instruments, the Participation Instrument Holder(s) shall receive a Settlement Amount in accordance with Clause 6.5.

(3) In addition, in the event that

- a Balance Sheet Event has occurred; and/or
- an Illegality Event; and/or
- a Tax Event has occurred,

the Issuer [shall][may, at its option,] issue a notice to the Participation Instrument Holder(s) in accordance with Clause 17 (*Notices*) below by which it informs the Participation Instrument Holder(s) about the termination of the Equity Participation Instruments. On the respective date of termination mentioned in the latter sentence, the Issuer shall redeem each Equity Participation Instrument by paying the Settlement Amount to the Participation Instrument Holder(s) in accordance with the timing set out in Clause 6.5. In such a case, the obligations of the Issuer under these Terms and Conditions shall be fully discharged and the Participation Instrument Holder(s) shall have no further claim or recourse against the Issuer.

(4) Termination may only take effect at the end of a Financial Year.

### **7.3 Termination by Participation Instrument Holder(s) for Good Cause**

The Participation Instrument Holder(s) shall only be entitled to terminate the Equity Participation Instruments for good cause in accordance with the mandatory legal provisions. A good cause shall only be deemed to exist if, taking into account all the circumstances of the specific case and weighing the interests of both parties, the terminating Participation Instrument Holder cannot reasonably be expected to continue the contractual relationship. It is agreed that a mere breach of ancillary obligations, in particular information or reporting duties, shall generally not constitute a good cause for termination. Any further contractual rights of the Participation Instrument Holder(s) to terminate the Equity Participation Instruments are hereby expressly excluded.

## **8. Payments**

### **8.1 Payments on the Equity Participation Instruments**

Subject to as provided below, payments in respect of the Equity Participation Instruments shall be made to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Equity Participation Instruments shall be made in the Specified Currency. If the Issuer determines that it is impossible to make payments of amounts due on the Equity Participation Instruments in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Participation Instrument Holder shall not be entitled to further distributions [and/or [any kind of] interest] or any additional amounts as a result of such payment.]

## **8.2 Discharge**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

## **8.3 Determinations**

(a) All calculations to be made under these Terms and Conditions will be made by the Calculation Agent appointed by the Issuer.

(b) In the absence of the Calculation Agent's wilful misconduct, bad faith or manifest error, the calculations of the Calculation Agent will be binding on the Participation Instrument Holder(s).

## **8.4 Fractions**

When making payments to the Participation Instrument Holder(s), if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

## **8.5 Payments subject to Fiscal Law**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. A payment made in accordance with the provisions of this Clause 8 (*Payments*) above shall be a good discharge for the Issuer.

## **8.6 Payment Business Days**

If the due date for any payment in respect of the Equity Participation Instruments would otherwise fall on a calendar day which is not a Payment Business Day, the Participation Instrument Holder(s) shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

## **8.7 General Provisions applicable to Payments**

Each payment in respect of the Equity Participation Instruments or to the account of the Paying Agent in the manner provided in the agreement between the Issuer and the Paying Agent shall operate in satisfaction pro tanto of the relative payment obligation of the Issuer in respect of such Equity Participation Instruments.

## **9. Purchase**

The Issuer may at any time purchase Equity Participation Instruments at any price. Such Equity Participation Instruments must be cancelled forthwith. There is no obligation to redeem Equity Participation Instruments.

## **10. Calculation Agent and Paying Agent**

### **10.1 Appointment and Specified Offices**

The initial Calculation Agent and the initial Paying Agent and their respective initial specified offices are:

#### **Initial Calculation Agent:**

[Timberland Securities Investment plc  
CF Business Centre, Triq Gort  
Paceville, St Julian's STJ 9023  
Malta]

[●]

#### **Initial Paying Agent:**

[Quirin Privatbank AG  
Schillerstraße 20  
60313 Frankfurt am Main  
Germany]

[●]

The expressions "Calculation Agent" and "Paying Agent" shall in each case include any successor calculation agent or successor paying agent or successor registrar and transfer agent, respectively.

### **10.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Participation Instrument Holder(s), to vary or terminate the appointment of each of the Calculation Agent and the Paying Agent, provided that the Issuer will at all times maintain a Calculation Agent and a Paying Agent (each having a specified office in the European Union). Notice of any such change will promptly be given to the Participation Instrument Holder(s) in accordance with Clause 17 (*Notices*).

#### **[10.3 Agents of the Issuer**

The agents mentioned in Clause 10.1 act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Participation Instrument Holder.]

## **11. Exclusion of Membership Rights**

The Equity Participation Instruments grant creditor rights but under no circumstances the following membership rights: (in particular) no subscription rights to new Equity Participation Instruments, no entitlement to participate in the liquidation proceeds of the Issuer and no participation and voting rights.

## **12. Taxation**

### **12.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Equity Participation Instruments shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (the **Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of and distributions (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Participation Instrument Holder, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

(i) are payable by any person acting as custodian bank or collecting agent on behalf of a Participation Instrument Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of Settlement Amount or Distributions made by it; or

(ii) are payable by reason of the Participation Instrument Holder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Equity Participation Instruments are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

(iii) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

(iv) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of Settlement Amount or Distributions becomes due, or is duly provided for and notice thereof is published in accordance with Clause 17 (*Notices*), whichever occurs later.

### **12.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Equity Participation Instruments shall be made subject to compliance with Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to Section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Participation Instrument Holder in connection with any such compliance.

### **12.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **13. Prescription**

(a) Subject to subparagraph (b), claims against the Issuer for payment in respect of the Equity Participation Instruments shall be prescribed and become void unless made within [ten years][*insert other period*] from the date on which the relevant payment first becomes due.

(b) In the case of the amount of Distributions, respective claims against the Issuer shall be prescribed and become void unless made within [ten years][*insert other period*] from the date on which the relevant payment first becomes due.

#### **14. Amendments to the Terms and Conditions by resolution of the Participation Instrument Holder(s) and Common Representative**

[(a) The Issuer may amend the Terms and Conditions with consent by a majority resolution of the Participation Instrument Holder(s) pursuant to section 5 et seq. of the German Act on Issues of Debt Securities, as amended from time to time. In particular, the Participation Instrument Holder(s) may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 (3) of the German Act on Issues of Debt Securities, by resolutions passed by such majority of the votes of the Participation Instrument Holder(s) as stated under Clause 14(b) below. A duly passed majority resolution shall be binding upon all Participation Instrument Holder(s). Resolutions which do not provide for identical conditions for all Holder(s) of the Equity Participation Instruments are void, unless Participation Instrument Holder(s) who are disadvantaged have expressly consented to their being treated disadvantageously.

(b) Except as provided by the following sentence and provided that the quorum requirements are being met, the Participation Instrument Holder(s) may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 (3) numbers 1 through 9 of the German Act on Issues of Debt Securities, may only be passed by a majority of at least 75 % of the voting rights participating in the vote (a **Qualified Majority**).

(c) Resolutions of the Participation Instrument Holder(s) shall be made either in a Participation Instrument Holder(s)' meeting in accordance with Clause 14(c)(i) or by means of a vote without a meeting in accordance Clause 14(c)(ii).

(i) Resolutions of the Participation Instrument Holder(s) in a Participation Instrument Holder(s)' meeting shall be made in accordance with section 9 et seq. of the German Act on Issues of Debt Securities. Participation Instrument Holder(s) holding Equity Participation Instruments in the total amount of 5 % of the outstanding Aggregate Principal Amount of the Equity Participation Instruments may request, in writing, to convene a Participation Instrument Holder(s)' meeting pursuant to section 9 of the German Act on Issues of Debt Securities. The convening notice of a Participation Instrument Holder(s)' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Participation Instrument Holder(s) in the agenda of the Participation Instrument Holder(s)' meeting. The attendance at the Participation Instrument Holder(s)' meeting or the exercise of voting rights requires a registration of the Participation Instrument Holder(s) prior to the meeting. Any such registration must be received at the address stated in the convening notice by no later than the third calendar day preceding the Participation Instrument Holder(s)' meeting.

(ii) Resolutions of the Participation Instrument Holder(s) by means of a voting not requiring a physical meeting shall be made in accordance section 18 of the German Act on Issues of Debt Securities. Participation Instrument Holder(s) holding Equity Participation Instruments in the total amount of 5 % of the outstanding Aggregate Principal Amount of the Equity Participation Instruments may request, in writing, the holding of a vote without a meeting pursuant to section 9 in connection with section 18 of the German Act on Issues of Debt Securities. The request for voting as submitted by the chairman will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to Participation

Instrument Holder(s) together with the request for voting.

(d) Each Participation Instrument Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Equity Participation Instruments. As long as the entitlement to the Equity Participation Instruments lies with, or the Equity Participation Instruments are held for the account of, the Issuer or any of its affiliates (section 271 para. (2) of the German Commercial Code), the right to vote in respect of such Equity Participation Instruments shall be suspended. The Issuer may not transfer Equity Participation Instruments, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.

(e) Participation Instrument Holder(s) must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of their respective depository bank hereof and by submission of a blocking instruction by the depository bank for the benefit of the depository, as specified by the Issuer together with agenda for the vote and being different from the Paying Agent, for the voting period.

(f) The Participation Instrument Holder(s) may by majority resolution appoint a common representative (the **Common Representative**) in accordance with the of the German Act on Issues of Debt Securities to exercise the Participation Instrument Holder(s)' rights on behalf of all Participation Instrument Holders:

(i) The Common Representative shall have the duties and powers provided by law or granted by majority resolution of the Participation Instrument Holder(s). The Common Representative shall comply with the instructions of the Holder(s) of the Equity Participation Instruments. To the extent that the Common Representative has been authorized to assert certain rights of the Participation Instrument Holder(s), the Participation Instrument Holder(s) shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Common Representative shall provide reports to the Participation Instrument Holder(s) on its activities. The appointment of a Common Representative by a Qualified Majority is required if such Common Representative is to be authorised to consent to a material change in the substance of the Terms and Conditions as set out in Clause 14(b) hereof.

(ii) The Common Representative may be removed from office at any time by the Participation Instrument Holder(s) without specifying any reasons. The Common Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of a Common Representative, including reasonable remuneration of the Common Representative.

(iii) The Common Representative shall be liable for the performance of its duties towards the Participation Instrument Holder(s) who shall be joint and several creditors; in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Common Representative may be limited by a resolution passed by the Holder(s) of the Equity Participation Instruments. The Participation Instrument Holder(s) shall decide upon the assertion of claims for compensation of the Participation Instrument Holder(s) against the Common Representative.

(g) Any notices concerning this Clause 14 shall be made in accordance with section 5 et seq. of the German Act on Issues of Debt Securities and Clause 14.]

[(a) To the fullest extent legally permissible, the German Act on Issues of Debt Securities shall not apply to the Equity Participation Instruments.

(b) The Terms and Conditions do not contain and shall not be construed as constituting an agreement to apply sections 5 et seq. of the German Act on Issues of Debt Securities. In particular, the Terms and Conditions do not provide for majority resolutions or for the appointment of a common representative pursuant to sections 5 et seq. of the German Act on Issues of Debt Securities.

(c) If and to the extent that mandatory provisions of the German Act on Issues of Debt Securities apply by operation of law notwithstanding paragraph (a), such mandatory provisions shall remain unaffected.

(d) Any contractual provisions contained in these Terms and Conditions concerning notices, meetings or resolutions of holders, if any, shall apply only to the extent legally permissible and without prejudice to any mandatory provisions of applicable law.

(e) The invalidity, ineffectiveness or unenforceability, in whole or in part, of any provision of this Clause 14 shall not affect the validity, effectiveness or enforceability of the remaining provisions of this Clause 14 or of the remaining Terms and Conditions inapplicability of the German Act on Issues of Debt Securities.]

[The provisions of the German Act on Issues of Debt Securities, i.e. sections 5 et seq., shall not apply to the Equity Participation Instruments.][●]

## **15. Modification**

(a) The Issuer may make, without the consent of the Participation Instrument, Holder(s) any modification to the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Equity Participation Instruments.

(b) Any such modification shall be binding on the Participation Instrument Holder(s) and any such modification shall be notified to the Participation Instrument Holder by way of a notice in accordance with Clause 17 (*Notices*).

(c) No modifications to the Terms and Conditions may be made by the Participation Instrument Holder(s) without the Issuer's written consent.

## **16. Further Issuances, no Subscription Rights**

(a) The Issuer may from time to time, without the consent of the Participation Instrument Holder(s) issue further Equity Participation Instruments (i) having the same terms and conditions in all respects as the outstanding Equity Participation Instruments except for the Issue Date, so that such further issue shall be consolidated and form a single series with the outstanding Equity Participation Instruments, and references in these Terms and Conditions to the Equity Participation Instruments shall be construed accordingly or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue. The Issuer will inform the existing Participation Instrument Holder(s) of any issuance of further Equity Participation Instruments pursuant to (ii) via a notice in accordance with Clause 17 (*Notices*).

(b) The Participation Rights do not grant any subscription rights to further Equity Participation Instruments.

## **17. Notices**

### **17.1 Notices of the Issuer**

[(a) All notices of the Issuer concerning the Equity Participation Instruments [shall be][may be] published in [a national daily newspaper (such as, but not limited to, [insert publication medium] or in electronic form on the website of the Issuer [(insert website] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer)][insert other website][or any successor website [in each case] thereof]. Any notice so given will be deemed to have been validly given on the [5<sup>th</sup>][●] calendar day following the date of such publication (or, if published more than once, on the [5<sup>th</sup>][●] calendar day following the date of the first such publication) unless the notice provides for a later effective date.

[[ (b) In addition to any notice given in accordance with paragraph (a), the Issuer may, but shall not be obliged to, send copies of such notice by post or electronic communication to holders whose contact details are known to the Issuer from subscription records, account opening documentation, distribution records or other records lawfully available to the Issuer. Any such transmission shall be for information purposes only and shall not affect the validity or effectiveness of any notice given in accordance with paragraph (a). ]]

### **17.2 Form of Notice to be given by any Participation Instrument Holder**

All notices regarding the Equity Participation Instruments which are to be given by any Participation Instrument Holder to the Issuer shall be validly given if delivered in writing in English [and][or] [German] language to the Issuer or the Paying Agent (for onward delivery to the Issuer) by hand or mail.

## **18. Information Right**

The Participation Instrument Holder(s) may request a copy of the Financial Statements of the Issuer from the Issuer. The Issuer may, at its sole discretion, fulfill such request by providing the Participation Instrument Holder with a copy in electronic form or by making the Annual Financial Statements available for inspection on the Issuer's website.

## **19. Governing Law, Place of Jurisdiction and Enforcement**

### **19.1 Governing Law**

The Equity Participation Instruments, as to form and content, and all rights and obligations of the Participation Instrument Holder(s) and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law, except for the provisions of the laws of Malta which are mandatorily applicable to the Issuer's corporate capacity to issue the Equity Participation Instruments and the corporate authorization thereof.

### **19.2 Place of Jurisdiction**

Subject to sentence 2, the courts of Germany shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Equity Participation Instruments.

### **19.3 Enforcement**

Any Participation Instrument Holder may in any Proceedings against the Issuer, or to which such Participation Instrument Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Equity Participation Instruments (a) stating the full name and address of the

Participation Instrument Holder and (b) specifying the aggregate principal amount of the Equity Participation Instruments. Each Participation Instrument Holder may, without prejudice to the foregoing, protect and enforce its rights under the Equity Participation Instruments also in any other way which is admitted in the country of the Proceedings.

## 20. Definitions

For the purposes of the Equity Participation Instruments, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 12.1.

**Aggregate Nominal Amount** has the meaning given to such term in Clause 1.2.

**Annual Financial Statements** has the meaning assigned to it in Clause 6.8.

**Annual Net Profit** has the meaning assigned to it in Clause 6.8.

**Annual Loss** has the meaning assigned to it in Clause 6.8.

[**Applicable Exchange Rate** means [●].]

**Balance Sheet Event** means a change in the Maltese accounting principles that results that funds raised by the issue of the Equity Participation Instruments are not or not fully used or may no longer be reported as equity capital in accordance with Local GAAP.

**Business Day Financial Centre** means [Frankfurt/Germany] [and] [Valletta/Malta] [*insert other or additional business day financial centre(s)*].

**Calculation Agent** means [Timberland Securities Investment plc][●].

**Clearing System** means [Clearstream Luxembourg and Euroclear][Clearstream Europe][OeKB CSD] [Euroclear Sweden] [Euronext Securities Milan] and any successor in such capacity. [The Equity Participation Instruments shall be kept in custody by a common depository on behalf of both ICSD.]

[**Clearstream Europe** means Clearstream Europe AG, The Cube, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.]

[**Clearstream Luxembourg** means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.]

[**Common Depository** means a common depository for Euroclear and/or Clearstream Luxembourg.]

[**Common Representative** has the meaning assigned to it in Clause 14(f).]

**Code** has the meaning assigned to it in Clause 12.2.

**Distributable Profit** has the meaning assigned to it in Clause 6.8.

**Distributions** has the meaning assigned to it in Clause 6.8.

[**Euroclear** means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.]

[**Euroclear Sweden** means Euroclear Sweden AB, Klarabergsviadukten 63, 111 64 Stockholm, Sweden.]

[**Euronext Securities Milan** means Monte Titoli S.P.A. Piazza degli Affari 6, 20123 Milano, Italian Republic.]

[**Exchange Rate** means [●].]

**FATCA** has the meaning assigned to it in Clause 12.2.

**Financial Year** has the meaning assigned to it in Clause 6.8.

**Germany** means the Federal Republic of Germany.

**Global Note** has the meaning given to such term in Clause 2.1(d).

[**ICSD** means Clearstream Luxembourg and Euroclear.]

**Illegality Event** means that the Issuer determines in good faith that the performance of its obligations under the Equity Participation Instruments has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof.

**Liabilities** has the meaning assigned to it in Clause 6.8.

**Local GAAP** has the meaning assigned to it in Clause 6.8.

**Malta** means the Republic of Malta.

**Issue Date** means [*insert date*].

**Issuer** has the meaning given to such term in Clause 1.1.

**Net Equity Value** has the meaning assigned to it in Clause 6.8.

**Nominal Amount** has the meaning given to such term in Clause 1.2.

[**OeKB CSD GmbH** means OeKB CSD GmbH Strauchgasse 1-3, 1010 Vienna, Republic of Austria.]

**Participation Commencement Date** has the meaning assigned to it in Clause 6.8.

**Participation Day** has the meaning assigned to it in Clause 6.8.

**Participation Instrument Holder** means each person holding one or more Equity Participation Instrument(s).

**Participation Period** has the meaning assigned to it in Clause 6.8.

**Participation Pool** has the meaning assigned to it in Clause 6.8.

**Paying Agent[s]** means [Quirin Privatbank AG][●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which T2 is open for business.

**Pool Factor** has the meaning assigned to it in Clause 6.8.

**Proceedings** has the meaning given to such term in Clause 19.2.

[**Qualified Majority** has the meaning given to such term in Clause 14(b).]

**Records** has the meaning given to such term in Clause 2.2 (b).

**Settlement Amount** has the meaning assigned to it in Clause 6.8.

**Specified Currency** has the meaning assigned to it in Clause 1.2.

**Subscription Date** has the meaning assigned to it in Clause 6.8.

**Subsidiary Company** has the meaning assigned to it in Clause 6.8.

[**Successor Currency** has the meaning assigned to it in Clause 8.1.]

**T2** means the real time gross settlement system operated by the Eurosystem or any successor system.

**Tax Event** means any amendment to or change in the laws or regulations of Malta or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date pursuant to which (i) the Issuer would be required to pay additional amounts or

(ii) Distributions no longer lead, in whole or in part, to a reduction in the tax base for trade income tax or corporation tax.

**Total Economic Equity** has the meaning assigned to it in Clause 6.8.

**Total Equity Participation Instruments Capital** has the meaning assigned to it in Clause 6.8.

**Withholding Taxes** has the meaning assigned to it in Clause 12.1.

## PROVISIONS FOR MEETINGS OF NOTEHOLDERS

*[Please note: To the extent applicable with respect to the respective Option, the final provisions for meetings of holders of Participation Certificates, including the complete relevant placeholders, will be included in "Part III – Provisions for Meetings of Participation Certificate Holders" in the relevant Final Terms.]*

## PROVISIONS FOR MEETINGS OF NOTEHOLDERS

### 1. Definitions

As used herein, the following expressions have the following meanings unless the context otherwise requires:

*[in the case of bearer notes, the following applies:*

**voting certificate** means an [English] [or] [●] language certificate issued by the Paying Agent and dated in which it is stated that the bearer of the voting certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the Notes represented by the certificate;

**block voting instruction** means an [English] [or] [●] language document issued by the Paying Agent and dated which:

(a) relates to a specified nominal amount of Notes and a meeting (or adjourned meeting) of the holders of the series of which those Notes form part;

(b) states that the Paying Agent has been instructed (either by the holders of the Notes or by a relevant clearing system) to attend the meeting and procure that the votes attributable to the Notes are cast at the meeting in accordance with the instructions given;

(c) identifies with regard to each resolution to be proposed at the meeting the nominal amount of Notes in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and the nominal amount of Notes in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and

(d) states that one or more named persons (each a proxy) is or are authorised and instructed by the Paying Agent to cast the votes attributable to the Notes identified in accordance with the instructions referred to in (c) as set out in the block voting instruction;

**relevant clearing system** means, in respect of any Notes represented by a Global Note, any clearing system on behalf of which the Global Note is held or which is the bearer of the Global Note, in either case whether alone or jointly with any other clearing system(s);]

**24 hours** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where the meeting is to be held and in the place where the *[in the case of bearer notes, the following applies: Paying Agent] [and][or] [in the case of registered notes, the following applies: Registrar and Transfer Agent]* has its specified office (disregarding for this purpose the day on which the meeting is to be held); and

**48 hours** means a period of 48 hours including all or part of two days on which banks are open for business both in the place where the meeting is to be held and in the place where the *[in the case of bearer notes, the following applies: Paying Agent] [and][or] [in the case of registered notes, the following applies: Registrar and Transfer Agent]* has its specified office (disregarding for this purpose the day on which the meeting is to be held).

References in this section to the Notes are to the series of [*in the case of bearer notes, the following applies: bearer*] [and][or] [*in the case of registered notes, the following applies: registered*] Notes in respect of which the meeting is, or is proposed to be, convened. References in this section to the Notes are to the series of [*in the case of bearer notes, the following applies: bearer*] [or] [*in the case of registered notes, the following applies: registered*] Notes [, or to the series of bearer Notes and series the registered Notes collectively] in respect of which the meeting is, or is proposed to be, convened and references to the Noteholders shall be construed accordingly.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

## **2. Evidence of Entitlement to attend and vote**

### **2.1 Persons entitled to attend and vote**

The following persons (each an **Eligible Person**) are entitled to attend and vote at a meeting of the holders of Notes:

*[in the case of bearer notes, the following applies:*

- (a) a holder of any Notes in definitive bearer form;
- (b) a bearer of any voting certificate in respect of the Notes;
- (c) a proxy specified in any block voting instruction.]

*[in the case of registered notes, the following applies:*

- [(a)][(d)] a holder of a registered Note; and
- [(b)][(e)] a proxy appointed by a holder of a registered Note.]

*[In the case of bearer notes, the following applies:* A Noteholder may require the issue by the Paying Agent of voting certificates and block voting instructions in accordance with the terms of subclauses 2.2 to 2.5.

For the purposes of subclauses 2.2 and 2.5, the Paying Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a relevant clearing system and shall have no liability to any Noteholder or other person for any loss, damage, cost, claim or other liability caused by its reliance on those instructions, nor for any failure by a relevant clearing system to deliver information or instructions to the Paying Agent.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the Notes to which the voting certificate or block voting instruction relates and the Paying Agent with which the Notes have been deposited or the person holding the Notes to the order or under the control of any Paying Agent shall be deemed for those purposes not to be the holder of those Notes.

### **2.2 Definitive bearer Notes – voting certificate**

A holder of a Note in definitive form may obtain a voting certificate in respect of that Note from the Paying Agent (unless the Note is the subject of a block voting instruction which has been issued and is outstanding in respect of the meeting specified in the voting certificate or any adjourned meeting) subject to the holder procuring that the Note is deposited with the Paying Agent or (to the satisfaction of the Paying Agent) is held to its order or under its control or blocked in an account with a relevant clearing system upon terms that the Note will not cease to be deposited or held or blocked until the first to occur of:

(a) the conclusion of the meeting specified in the voting certificate or, if later, of any adjourned meeting; and

(b) the surrender of the voting certificate to the Paying Agent who issued it.

### **2.3 Global Notes – voting certificate**

A holder of a Note (not being a Note in respect of which instructions have been given to the Paying Agent in accordance with subclause 2.5) represented by a Global Note may procure the delivery of a voting certificate in respect of that Note by giving notice to the relevant clearing system specifying by name a person (an **Identified Person**) (which need not be the holder himself) to collect the voting certificate and attend and vote at the meeting. The voting certificate will be made available at or shortly before the start of the meeting by the Paying Agent against presentation by the Identified Person of the form of identification previously notified by the holder to the relevant clearing system. The relevant clearing system may prescribe forms of identification (including, without limitation, passports) which it considers appropriate for these purposes. Subject to receipt by the Paying Agent from the relevant clearing system, no later than 48 hours before the time for which the meeting is convened, of notification of the nominal amount of the Notes to be represented by any voting certificate and the form of identification against presentation of which the voting certificate should be released, the Paying Agent shall, without any obligation to make further enquiry, make available voting certificates against presentation of forms of identification corresponding to those notified.

### **2.4 Definitive bearer Notes – block voting instruction**

A holder of a Note in definitive form may require the Paying Agent to issue a block voting instruction in respect of that Note (unless the Note is the subject of a voting certificate which has been issued and is outstanding in respect of the meeting specified in the block voting instruction or any adjourned meeting) by depositing the Note with the Paying Agent or (to the satisfaction of the Paying Agent) by:

(a) procuring that, not less than 48 hours before the time fixed for the meeting, the Note is held to the Paying Agent's order or under its control or is blocked in an account with a relevant clearing system, in each case on terms that the Note will not cease to be so deposited or held or blocked until the first to occur of:

(i) the conclusion of the meeting specified in the block voting instruction or, if later, of any adjourned meeting; and

(ii) the surrender to the Paying Agent, not less than 48 hours before the time for which the meeting or any adjourned meeting is convened, of the receipt issued by the Paying Agent in respect of each deposited Note which is to be released or (as the case may require) the Note ceasing with the agreement of the Paying Agent to be held to its order or under its control or to be blocked and the giving of notice by the Paying Agent to the Issuer in accordance with subclause 2.5 of the necessary amendment to the block voting instruction; and

(b) instructing the Paying Agent that the vote(s) attributable to each Note so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to the meeting or any adjourned meeting and that the instruction is, during the period commencing 48 hours before the time for which the meeting or any adjourned meeting is convened and ending at the conclusion or adjournment of the meeting, neither revocable nor capable of amendment.

### **2.5 Global Notes – block voting instruction**

(a) A holder of a Note (not being a Note in respect of which a voting certificate has been issued) represented by a Global Note may require the Paying Agent to issue a block voting instruction in

respect of the Note by first instructing the relevant clearing system to procure that the votes attributable to the holder's Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the relevant clearing system then in effect. Subject to receipt by the Paying Agent, no later than 48 hours before the time for which the meeting is convened, of (i) instructions from the relevant clearing system, (ii) notification of the nominal amount of the Notes in respect of which instructions have been given and (iii) the manner in which the votes attributable to the Notes should be cast, the Paying Agent shall, without any obligation to make further enquiry, attend the meeting and cast votes in accordance with those instructions.

(b) Each block voting instruction shall be deposited by the relevant Paying Agent at the place specified by the Paying Agent for the purpose not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote, and in default the block voting instruction shall not be treated as valid unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business. A certified copy of each block voting instruction shall (if so requested by the Issuer) be deposited with the Issuer before the start of the meeting or adjourned meeting but the Issuer shall not as a result be obliged to investigate or be concerned with the validity of or the authority of the proxies named in the block voting instruction.

(c) Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the instructions of the relevant Noteholder or the relevant clearing system (as the case may be) pursuant to which it was executed provided that no indication in writing of any revocation or amendment has been received from the relevant Paying Agent by the Issuer at its registered office by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.]

*[in the case of registered notes, the following applies:*

**[2.2][2.6] Registered Notes – appointment of proxy**

(a) A holder of Notes may, by an instrument in writing in the [English] [or] [●] language (a form of proxy) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar and Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a proxy) to act on his or its behalf in connection with any meeting.

(b) Any proxy appointed pursuant to subclause (a) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting, to be the holder of the Notes to which such appointment relates and the holders of the Notes shall be deemed for such purposes not to be the holder.

(c) Each form of proxy shall be deposited by the Registrar and Transfer Agent with the Issuer at its registered office not less than 24 hours before the time appointed for holding the meeting at which the proxy or proxies named in the form of proxy proposes to vote, and in default form of proxy shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each form of proxy shall be deposited with the Issuer before the commencement of the meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such form of proxy.

(d) Any vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy provided that no indication in writing of such

revocation or amendment has been received from the holder thereof by the Issuer at its registered office by the time being 48 hours before the time appointed for holding the meeting at which the form of proxy is to be used.]

### **3. Convening of Meetings, Quorum, Adjourned Meetings**

**3.1** The Issuer may at any time and, if required in writing by Noteholders holding not less than [51.01][●] per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders and if the Issuer fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Noteholders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the [*in the case of bearer notes, the following applies: Paying Agent*] [and][or] [*in the case of registered notes, the following applies: Registrar and Transfer Agent*] of the day, time and place of the meeting and of the nature of the business to be transacted at the meeting.

**3.2** At least [21][●] clear days' notice specifying the place, day and hour of the meeting shall be given to the Noteholders in the manner provided in the relevant terms and conditions of the Notes. The notice, which shall be in the [English] [or] [●] language, shall state generally the nature of the business to be transacted at the meeting and shall either (i) include statements as to the manner in which holders may, if applicable, appoint proxies or representatives [*in the case of bearer notes, the following applies: and arrange for voting certificates or block voting instructions to be issued*], or (ii) inform Noteholders that details of the voting arrangements are available free of charge from the [*in the case of bearer notes, the following applies: Paying Agent*] [and][or] [*in the case of registered notes, the following applies: Registrar and Transfer Agent*], provided that, in the case of (ii) the final form of such details are so available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).

**3.3** The person (who may but need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the Noteholders present shall choose one of their number to be chairman failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the meeting from which the adjournment took place.

**3.4** At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than [51][●] per cent. in nominal amount of the Notes for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the required quorum is present at the commencement of business.

**3.5** If within [15][●] minutes (or such longer period not exceeding 30 minutes as the chairman may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened by Noteholders be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday the next following business day) at the same time and place.

**3.6** At any adjourned meeting one or more Eligible Persons present (whatever the nominal amount of the Notes so held or represented by them) shall form a quorum and shall have power to pass any resolution or any other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present.

#### **4. Conduct of Business at Meetings**

**4.1** Every question submitted to a meeting shall be decided by a poll. In the case of an equality of votes for any resolution which does not require any particular quorum, the resolution shall be deemed to be rejected.

**4.2** The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

**4.3** Any poll on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

**4.4** Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of the Issuer. Nothing contained in this subclause shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.

**4.5** Subject as provided in subclause 4.4 above, at any meeting, every Eligible Person present shall have one vote in respect of one Note.

*[In the case of bearer notes, the following applies:* Without prejudice to the obligations of the proxies named in any block voting instruction,] [A][a]ny person entitled to cast more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

*[In the case of bearer notes, the following applies:*

**4.6** The proxies named in any block voting instruction need not be Noteholders.]

**[4.6][4.7]** A meeting of the Noteholders shall have powers specified in the terms and conditions of the relevant Notes. All powers shall be exercisable by a meeting of the Noteholders by a resolution adopted by a simple majority of the votes cast (subject to the provisions relating to quorum contained in subclauses 3.4 and 3.6). Notwithstanding any provision to the contrary in this section or the terms and conditions of the Notes, no modification may be made to the terms and conditions of the Notes without the prior written consent of entities acting as account banks in connection with the Notes *[in the case of bearer notes, the following applies:* and/or paying agents and securities custodians if such modification would have an effect to lower the rank of such entities in the order of payment of costs set out in the terms and conditions of the Notes].

**[4.7][4.8]** Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these provisions shall be binding upon all the Noteholders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Noteholders shall be published in accordance with the terms and conditions of the Notes by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

**[4.8][4.9]** Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the chairman of the meeting at which any resolution was passed or proceedings had shall be

conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.

If and whenever the Issuer has issued and has outstanding Notes of more than one series the previous provisions of this section shall have effect subject to the following changes:

- a resolution which affects the Notes of only one series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that series;
- a resolution which affects the Notes of more than one series but does not give rise to a conflict of interest between the holders of Notes of any of the series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the series so affected;
- a resolution which affects the Notes of more than one series and gives or may give rise to a conflict of interest between the holders of the Notes of one series or group of series so affected and the holders of the Notes of another series or group of series so affected shall be deemed to have been duly passed only if it is duly passed at separate meetings of the holders of the Notes of each series or group of series so affected; and
- to all such meetings all the preceding provisions of this section shall *mutatis mutandis* apply as though references therein to Notes, Noteholders and holders were references to the Notes of the series or group of series in question or to the holders of such Notes, as the case may be.]

## PROVISIONS FOR MEETINGS OF PARTICIPATION [CERTIFICATE][INSTRUMENT] HOLDERS

*[Please note: To the extent applicable with respect to the respective Option, the final provisions for meetings of holders of (Equity) Participation Certificates/Instruments, including the complete relevant placeholders, will be included in "Part III – Provisions for Meetings of Participation [Certificate][Instrument] Holders" in the relevant Final Terms.]*

## PROVISIONS FOR MEETINGS OF PARTICIPATION [CERTIFICATE][INSTRUMENT] HOLDERS

### 1. Definitions

As used herein, the following expressions have the following meanings unless the context otherwise requires:

*[in the case of (equity) participation certificates/instruments in bearer form, the following applies:*

**voting certificate** means an [English] [or] [●] language certificate issued by the Paying Agent and dated in which it is stated that the bearer of the voting certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the [Equity] Participation [Certificates][Instruments] represented by the certificate;

**block voting instruction** means an [English] [or] [●] language document issued by the Paying Agent and dated which:

(a) relates to a specified nominal amount of [Equity] Participation [Certificates][Instruments] and a meeting (or adjourned meeting) of the holders of the series of which those [Equity] Participation [Certificates][Instruments] form part;

(b) states that the Paying Agent has been instructed (either by the holders of the [Equity] Participation [Certificates][Instruments] or by a relevant clearing system) to attend the meeting and procure that the votes attributable to the [Equity] Participation [Certificates][Instruments] are cast at the meeting in accordance with the instructions given;

(c) identifies with regard to each resolution to be proposed at the meeting the nominal amount of [Equity] Participation [Certificates][Instruments] in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and the nominal amount of [Equity] Participation [Certificates][Instruments] in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and

(d) states that one or more named persons (each a proxy) is or are authorised and instructed by the Paying Agent to cast the votes attributable to the [Equity] Participation [Certificates][Instruments] identified in accordance with the instructions referred to in (c) as set out in the block voting instruction;

**relevant clearing system** means, in respect of any [Equity] Participation [Certificates][Instruments] represented by a Global Note, any clearing system on behalf of which the Global Note is held or which is the bearer of the Global Note, in either case whether alone or jointly with any other clearing system(s);]

**24 hours** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where the meeting is to be held and in the place where the *[in the case of (equity) participation certificates/instruments in bearer form, the following applies: Paying Agent] [and][or] [in the case of participation certificates in registered form, the following applies: Registrar*

and Transfer Agent][Issuer]] has its specified office (disregarding for this purpose the day on which the meeting is to be held); and

**48 hours** means a period of 48 hours including all or part of two days on which banks are open for business both in the place where the meeting is to be held and in the place where the *[in the case of (equity) participation certificates/instruments in bearer form, the following applies: Paying Agent]* [and][or] *[in the case of participation certificates in registered form, the following applies: [Registrar and Transfer Agent][Issuer]]* has its specified office (disregarding for this purpose the day on which the meeting is to be held).

References in this section to the [Equity] Participation [Certificates][Instruments] are to the series of *[in the case of (equity) participation certificates/instruments in bearer form, the following applies: bearer]* [and][or] *[in the case of participation certificates in registered form, the following applies: registered]* Participation Certificates in respect of which the meeting is, or is proposed to be, convened. References in this section to the Participation Certificates are to the series of *[in the case of equity participation certificates/instruments in bearer form, the following applies: [Equity] Participation [Certificates][Instruments] in bearer form]* [or] *[in the case of participation certificates in registered form, the following applies: Participation Certificates in registered form]* [, or to the series of bearer [Equity] Participation [Certificates][Instruments] in bearer form and the series of the Participation Certificates in registered form collectively] in respect of which the meeting is, or is proposed to be, convened and references to the Participation [Certificate][Instrument] Holders shall be construed accordingly.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

## **2. Evidence of Entitlement to attend and vote**

### **2.1 Persons entitled to attend and vote**

The following persons (each an **Eligible Person**) are entitled to attend and vote at a meeting of the holders of Participation Certificates:

*[in the case of equity participation certificates/instruments in bearer form, the following applies:*

- (a) a holder of any [Equity] Participation [Certificates][Instruments] in definitive bearer form;
- (b) a bearer of any voting certificate in respect of the [Equity] Participation [Certificates][Instruments];
- (c) a proxy specified in any block voting instruction.]

*[in the case of participation certificates in registered form, the following applies:*

- [(a)][(d)] a holder of a Participation Certificate in registered form; and
- [(b)][(e)] a proxy appointed by a holder of a Participation Certificate in registered form.]

*[In the case of (equity) participation certificates/instruments in bearer form, the following applies: A Participation [Certificate][Instrument] Holder may require the issue by the Paying Agent of voting certificates and block voting instructions in accordance with the terms of subclauses 2.2 to 2.5.*

For the purposes of subclauses 2.2 and 2.5, the Paying Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a relevant clearing system and shall have no liability to any [Equity] Participation [Certificate][Instrument] Holder or other person for any loss, damage, cost, claim or other liability caused by its reliance on those instructions, nor for any failure by a relevant clearing system to deliver information or instructions to the Paying Agent.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the

Participation Certificates to which the voting certificate or block voting instruction relates and the Paying Agent with which the [Equity] Participation [Certificates][Instruments] have been deposited or the person holding the [Equity] Participation [Certificates][Instruments] to the order or under the control of any Paying Agent shall be deemed for those purposes not to be the holder of those [Equity] Participation [Certificates][Instruments].

## **2.2 Definitive [Equity] Participation [Certificates][Instruments] in bearer form – voting certificate**

A holder of a Participation [Certificate][Instrument] Holder in definitive form may obtain a voting certificate in respect of that [Equity] Participation [Certificate][Instrument] from the Paying Agent (unless the [Equity] Participation [Certificate][Instrument] is the subject of a block voting instruction which has been issued and is outstanding in respect of the meeting specified in the voting certificate or any adjourned meeting) subject to the holder procuring that the [Equity] Participation [Certificate][Instrument] is deposited with the Paying Agent or (to the satisfaction of the Paying Agent) is held to its order or under its control or blocked in an account with a relevant clearing system upon terms that the [Equity] Participation [Certificate][Instrument] will not cease to be deposited or held or blocked until the first to occur of:

- (a) the conclusion of the meeting specified in the voting certificate or, if later, of any adjourned meeting; and
- (b) the surrender of the voting certificate to the Paying Agent who issued it.

## **2.3 Global Notes – voting certificate**

A Participation [Certificate][Instrument] Holder (not being a [Equity] Participation [Certificate][Instrument] in respect of which instructions have been given to the Paying Agent in accordance with subclause 2.5) represented by a Global Note may procure the delivery of a voting certificate in respect of that [Equity] Participation [Certificate][Instrument] by giving notice to the relevant clearing system specifying by name a person (an **Identified Person**) (which need not be the holder himself) to collect the voting certificate and attend and vote at the meeting. The voting certificate will be made available at or shortly before the start of the meeting by the Paying Agent against presentation by the Identified Person of the form of identification previously notified by the holder to the relevant clearing system. The relevant clearing system may prescribe forms of identification (including, without limitation, passports) which it considers appropriate for these purposes. Subject to receipt by the Paying Agent from the relevant clearing system, no later than 48 hours before the time for which the meeting is convened, of notification of the nominal amount of the [Equity] Participation [Certificates][Instruments] to be represented by any voting certificate and the form of identification against presentation of which the voting certificate should be released, the Paying Agent shall, without any obligation to make further enquiry, make available voting certificates against presentation of forms of identification corresponding to those notified.

## **2.4 Definitive [Equity] Participation [Certificates][Instruments] in bearer form – block voting instruction**

A Participation [Certificate][Instrument] Holder in definitive form may require the Paying Agent to issue a block voting instruction in respect of that [Equity] Participation [Certificate][Instrument] (unless the [Equity] Participation [Certificate][Instrument] is the subject of a voting certificate which has been issued and is outstanding in respect of the meeting specified in the block voting instruction or any adjourned meeting) by depositing the [Equity] Participation [Certificate][Instrument] with the Paying Agent or (to the satisfaction of the Paying Agent) by:

- (a) procuring that, not less than 48 hours before the time fixed for the meeting, the [Equity] Participation [Certificate][Instrument] is held to the Paying Agent's order or under its control or is

blocked in an account with a relevant clearing system, in each case on terms that the [Equity] Participation [Certificate][Instrument] will not cease to be so deposited or held or blocked until the first to occur of:

(i) the conclusion of the meeting specified in the block voting instruction or, if later, of any adjourned meeting; and

(ii) the surrender to the Paying Agent, not less than 48 hours before the time for which the meeting or any adjourned meeting is convened, of the receipt issued by the Paying Agent in respect of each deposited [Equity] Participation [Certificate][Instrument] which is to be released or (as the case may require) the [Equity] Participation [Certificate][Instrument] ceasing with the agreement of the Paying Agent to be held to its order or under its control or to be blocked and the giving of notice by the Paying Agent to the Issuer in accordance with subclause 2.5 of the necessary amendment to the block voting instruction; and

(b) instructing the Paying Agent that the vote(s) attributable to each [Equity] Participation [Certificate][Instrument] so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to the meeting or any adjourned meeting and that the instruction is, during the period commencing 48 hours before the time for which the meeting or any adjourned meeting is convened and ending at the conclusion or adjournment of the meeting, neither revocable nor capable of amendment.

## **2.5 Global Notes – block voting instruction**

(a) A Participation [Certificate][Instrument] Holder (not being a [Equity] Participation [Certificate][Instrument] in respect of which a voting certificate has been issued) represented by a Global Note may require the Paying Agent to issue a block voting instruction in respect of the [Equity] Participation [Certificate][Instrument] by first instructing the relevant clearing system to procure that the votes attributable to the holder's [Equity] Participation [Certificate][Instrument] should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the relevant clearing system then in effect. Subject to receipt by the Paying Agent, no later than 48 hours before the time for which the meeting is convened, of (i) instructions from the relevant clearing system, (ii) notification of the nominal amount of the [Equity] Participation [Certificates][Instruments] in respect of which instructions have been given and (iii) the manner in which the votes attributable to the [Equity] Participation [Certificates][Instruments] should be cast, the Paying Agent shall, without any obligation to make further enquiry, attend the meeting and cast votes in accordance with those instructions.

(b) Each block voting instruction shall be deposited by the relevant Paying Agent at the place specified by the Paying Agent for the purpose not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote, and in default the block voting instruction shall not be treated as valid unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business. A certified copy of each block voting instruction shall (if so requested by the Issuer) be deposited with the Issuer before the start of the meeting or adjourned meeting but the Issuer shall not as a result be obliged to investigate or be concerned with the validity of or the authority of the proxies named in the block voting instruction.

(c) Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the instructions of the relevant Participation [Certificate][Instrument] Holder or the relevant clearing system (as the case may be) pursuant to which it was executed provided that no indication in writing of any revocation or amendment has been received from the relevant Paying Agent by the Issuer at

its registered office by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.]

*[in the case of participation certificates in registered form, the following applies:*

### **[2.2][2.6] Participation Certificates in registered form – appointment of proxy**

(a) A Participation Certificate Holder may, by an instrument in writing in the [English] [or] [●] language (a form of proxy) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar and Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a proxy) to act on his or its behalf in connection with any meeting.

(b) Any proxy appointed pursuant to subclause (a) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting, to be the holder of the Participation Certificates to which such appointment relates and the Participation Certificate Holder shall be deemed for such purposes not to be the holder.

(c) Each form of proxy shall be deposited by the [Registrar and Transfer Agent][Issuer] with the Issuer at its registered office not less than 24 hours before the time appointed for holding the meeting at which the proxy or proxies named in the form of proxy proposes to vote, and in default form of proxy shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each form of proxy shall be deposited with the Issuer before the commencement of the meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such form of proxy.

(d) Any vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy provided that no indication in writing of such revocation or amendment has been received from the holder thereof by the Issuer at its registered office by the time being 48 hours before the time appointed for holding the meeting at which the form of proxy is to be used.]

### **3. Convening of Meetings, Quorum, Adjourned Meetings**

**3.1** [The Issuer may at any time and, if required in writing by [Participation [Certificate]][Instrument] Holders holding not less than [25.00][51.01][●] per cent. in nominal amount of the [Equity] Participation [Certificates][Instruments] for the time being outstanding] [or] [the Issuer], shall convene a meeting of the Participation [Certificate][Instrument] Holders [and if the Issuer fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Participation [Certificate][Instrument] Holder]. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the [*in the case of equity participation certificates/instruments in bearer form, the following applies:* Paying Agent] [and][or] [*in the case of participation certificates in registered form, the following applies:* [Registrar and Transfer Agent][Issuer]] of the day, time and place of the meeting and of the nature of the business to be transacted at the meeting.]

[(a) The Issuer may convene a meeting of the Participation [Certificates][Instrument] Holders at any time.

(b) Notice of any meeting of Participation [Certificates][Instrument] Holders shall be given at the Issuer's discretion by one or more of the following means:

- publication on the Issuer's website; and/or

- publication in the Federal Gazette (Bundesanzeiger) or another legally permitted publication medium; and/or
- if the [Equity] Participation [Certificates][Instruments] are listed, via the relevant stock exchange information system.

(c) No individual notification to Participation [Certificates][Instrument] Holders shall be required.

(d) The notice period shall be not less than 10 calendar days, unless a shorter period is required by mandatory law.

(e) The notice shall specify:

- the time and place (or virtual format) of the meeting;
- the agenda;
- the conditions for participation and voting.] [●]

**3.2** At least [10][21][●] clear days' notice specifying the place, day and hour of the meeting shall be given to the Participation [Certificate][Instrument] Holders in the manner provided in the relevant terms and conditions of the [Equity] Participation [Certificates][Instruments]. [All Notices [shall be][may be] given by publication in [a national daily newspaper (such as, but not limited to, the [insert publication medium] or in electronic form on the website of the Issuer [(insert website] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer)][insert other website][or any successor website [in each case] thereof]. [Any notice so given will be deemed to have been validly given on the [5th][●] calendar day following the date of such publication (or, if published more than once, on the [5th][●] calendar day following the date of the first such publication) unless the notice provides for a later effective date.] [●]

The notice, which shall be in the [English] [or] [●] language, shall state generally the nature of the business to be transacted at the meeting and shall either (i) include statements as to the manner in which holders may, if applicable, appoint proxies or representatives [*in the case of (equity) participation certificates/instruments in bearer form, the following applies:* and arrange for voting certificates or block voting instructions to be issued], or (ii) inform Participation [Certificate][Instrument] Holders that details of the voting arrangements are available free of charge from the [*in the case of equity participation certificates/instruments in bearer form, the following applies:* Paying Agent] [and][or] [*in the case of participation certificates in registered form, the following applies:* Registrar and Transfer Agent][Issuer]], provided that, in the case of (ii) the final form of such details are so available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).

**3.3** The person (who may but need not be a Participation [Certificate][Instrument] Holder) nominated in writing by the Issuer shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the Participation [Certificate][Instrument] Holders present shall choose one of their number to be chairman failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the meeting from which the adjournment took place.

**3.4** At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than [25][51][●] per cent. in nominal amount of the [Equity] Participation [Certificates][Instruments] for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the required quorum is present at the commencement of business.

**3.5** If within [15][●] minutes (or such longer period not exceeding 30 minutes as the chairman may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened by Participation [Certificate][Instrument] Holders be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday the next following business day) at the same time and place.

**3.6** At any adjourned meeting one or more Eligible Persons present (whatever the nominal amount of the [Equity] Participation [Certificates][Instruments] so held or represented by them) shall form a quorum and shall have power to pass any resolution or any other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present.

#### **4. Conduct of Business at Meetings**

**4.1** Every question submitted to a meeting shall be decided by a poll. In the case of an equality of votes for any resolution which does not require any particular quorum, the resolution shall be deemed to be rejected.

**4.2** The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

**4.3** Any poll on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

**4.4** Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Participation [Certificate][Instrument] Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of [Equity] Participation [Certificates][Instruments] held by, for the benefit of, or on behalf of the Issuer. Nothing contained in this subclause shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.

**4.5** Subject as provided in subclause 4.4 above, at any meeting, every Eligible Person present shall have one vote in respect of one [Equity] Participation [Certificate][Instrument].

*[In the case of (equity) participation certificates/instruments in bearer form, the following applies: Without prejudice to the obligations of the proxies named in any block voting instruction,] [A][a]ny person entitled to cast more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.*

*[In the case of (equity) participation certificates/instruments in bearer form, the following applies:*

**4.6** The proxies named in any block voting instruction need not be Participation [Certificate][Instrument] Holder.]

**[4.6][4.7]** A meeting of the Participation [Certificate][Instrument] Holders shall have powers specified in the terms and conditions of the relevant [Equity] Participation [Certificates][Instruments].

[All powers shall be exercisable by a meeting of the Participation [Certificate][Instrument] Holders by a resolution adopted by a simple majority of the votes cast (subject to the provisions relating to quorum contained in subclauses 3.4 and 3.6)]

[Resolutions shall be adopted by a simple majority of the votes cast (subject to the provisions relating to quorum contained in subclauses 3.4 and 3.6) unless the subject matter of the resolution constitutes a Material Amendment. The Issuer shall determine in good faith whether a matter constitutes a Material Amendment.

A "**Material Amendment**" shall include, in particular:

[(a) any amendment affecting the economic participation of the [Equity] Participation [Certificates][Instruments], including participation in profits or losses;]

[(b) any amendment to the ranking or subordination of the [Equity] Participation [Certificates][Instruments];]

[(c) any amendment to the term, redemption or termination provisions;]

[(d) any reduction or cancellation of rights or claims of the Participation [Certificate][Instruments] Holders; or]

[(e) any other amendment which materially adversely affects the position of the Participation [Certificate][Instrument] Holders as a whole.]

[●]

Resolutions relating to Material Amendments shall require a majority of at least [75][●] per cent. of the votes cast.] [The Issuer shall determine in good faith whether a matter constitutes a Material Amendment.]

Notwithstanding any provision to the contrary in this section or the terms and conditions of the [Equity] Participation [Certificates][Instruments], no modification may be made to the terms and conditions of the [Equity] Participation [Certificates][Instruments] without the prior written consent of entities acting as account banks in connection with the [Equity] Participation [Certificates][Instruments] *[in the case of (equity) participation certificates/instruments in bearer form, the following applies:* and/or paying agents and securities custodians if such modification would have an effect to lower the rank of such entities in the order of payment of costs set out in the terms and conditions of the [Equity] Participation [Certificates][Instruments]]].

[4.7][4.8] Any resolution passed at a meeting of the Participation [Certificate][Instrument] Holders duly convened and held in accordance with these provisions shall be binding upon all the Participation [Certificate][Instrument] Holders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Participation [Certificate][Instrument] Holders shall be published in accordance with the terms and conditions of the [Equity] Participation [Certificates][Instruments] by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

[4.8][4.9] Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the chairman of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.

If and whenever the Issuer has issued and has outstanding [Equity] Participation [Certificates][Instruments] of more than one series the previous provisions of this section shall have effect subject to the following changes:

- a resolution which affects the [Equity] Participation [Certificates][Instruments] of only one series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the [Equity] Participation [Certificates] of that series;
- a resolution which affects the [Equity] Participation [Certificates][Instruments] of more than one series but does not give rise to a conflict of interest between the holders of [Equity] Participation [Certificates][Instruments] of any of the series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the [Equity] Participation [Certificates][Instruments] of all the series so affected;
- a resolution which affects the [Equity] Participation [Certificates][Instruments] of more than one series and gives or may give rise to a conflict of interest between the holders of the [Equity] Participation [Certificates][Instruments] of one series or group of series so affected and the holders of the [Equity] Participation Certificates of another series or group of series so affected shall be deemed to have been duly passed only if it is duly passed at separate meetings of the holders of the [Equity] Participation Certificates][Instruments] of each series or group of series so affected; and
- to all such meetings all the preceding provisions of this section shall mutatis mutandis apply as though references therein to [Equity] Participation Certificates, [Equity] Participation [Certificate][Instrument] Holders and holders were references to the [Equity] Participation [Certificates][Instruments] of the series or group of series in question or to the holders of such [Equity] Participation [Certificates][Instruments], as the case may be.

#### [4.9][4.10] Validity of Resolutions

No resolution shall be invalid solely by reason of:

- (a) any defect in the convening or notice of the meeting, unless such defect materially affected the outcome of the vote; or
- (b) the failure of any [Equity] Participation [Certificate][Instrument] Holder to receive notice of the meeting, provided that notice was given in accordance with these provisions.

If any provision of these meeting rules is or becomes invalid or unenforceable, the validity of the remaining provisions shall not be affected.

#### [4.10][4.11] Non-Application of the German Bond Act

The provisions of the German Bond Act (*Schuldverschreibungsgesetz*) shall not apply to the Participation Certificates. These provisions constitute an independent contractual regime for collective decision-making of the [Equity] Participation [Certificate][Instrument] Holders.

]

## FORM OF FINAL TERMS<sup>1</sup>

### [PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA

The [Notes][Bonds][Participation Certificates][Equity Participation Instruments] are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). Consequently, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (**PRIIPs Regulation**) for offering or selling the [Participation Certificates][Equity Participation Instruments] or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4 (1) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended, Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as amended (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, where that customer would not qualify as a professional client as defined in point (10) of Article 4 (1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.]

### [MIFID II PRODUCT GOVERNANCE / ELIGIBLE COUNTERPARTIES, PROFESSIONAL CLIENTS AND RETAIL CLIENTS TARGET MARKET

Solely for the purposes of [the][each] manufacturer['s']['s'] product approval process, the target market assessment in respect of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] has led to the conclusion that (i) the target market for the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended or superseded, **MiFID II**)] [MiFID II] [specify further target market criteria], and [(ii) all channels for distribution of the [Notes][Participation Certificates][Equity Participation Instruments] are appropriate[, including investment advice, portfolio management, non-advised sales and [pure execution services]]] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] to retail clients are appropriate: investment advice[, and] portfolio management[, and] [non-advised sales] [and pure execution services] [specify negative target market, if applicable]. Any person subsequently offering, selling or recommending the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] (a **Distributor**) should take into consideration the manufacturer['s']['s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] (by either adopting or refining the manufacturer['s']['s'] target market assessment) and determining appropriate distribution channels.]

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<sup>1</sup> In case of an exempt offer, remove all references to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended).

[Insert in case of an intended continuation of a public offer:

**Warning  
(continuing offer):**

**An offer of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] to the public may continue after the expiration of the base prospectus dated 21 May 2026 (the Original Base Prospectus) under which the offer was commenced provided that a succeeding base prospectus (the Succeeding Base Prospectus) is approved and published no later than the last day of validity of the Original Base Prospectus.**

**The last day of validity of the Original Base Prospectus will be 20 May 2027. The Succeeding Base Prospectus will be published on <https://timberlandsecuritiesinvestmentplc.com> (or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer).**

]

[Insert in case of a continuation of a public offer:

**Warning  
(continuing offer):**

**Notwithstanding the validity of the previous base prospectus dated [●] and the previous final terms dated [●], which have [initially commenced] [served to continue] the public offering of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments], this new set of Final Terms prepared by the Issuer shall, as of [●], serve to continue the public offering of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments].**

**[An offer of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] to the public may continue after the expiration of the base prospectus dated [●] (the Successor Base Prospectus) under which the offer was commenced provided that a succeeding base prospectus (the Succeeding Base Prospectus) is approved and published no later than the last day of validity of the Successor Base Prospectus.][The last day of validity of the Successor Base Prospectus will be [●]. The Succeeding Base Prospectus [which serves to continue the public offering of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]] will be published on <https://timberlandsecuritiesinvestmentplc.com> (or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer).]**

]

**[IMPORTANT NOTICE IN CASE OF CONTINUATION OF THE PUBLIC OFFER**

[insert details]

]

**Final Terms**

dated [insert date]

to the Base Prospectus dated 21 May 2026  
[supplemented by [insert all relevant supplements including its date and number]]  
(the **Base Prospectus**)

of

**TIMBERLAND SECURITIES INVESTMENT PLC**

Legal Entity Identifier (LEI): 894500CA1XTDSTWJ1T79

**(incorporated as a public limited liability company under the laws of the Republic of Malta)**

Issue of [insert name of the [notes]][bonds]][participation certificates]][equity participation instruments]]  
(the [Notes]][**Bonds**] [**Participation Certificates**]][**Equity Participation Instruments**])

Issue Date: [●]

[Series Number: [●]]

[Issue Price: [100%][●]]

## Important Notice

*These final terms (the **Final Terms**) contain the final terms of an issue of (i) notes/bonds and (ii) participation certificates under the base prospectus of Timberland Securities Investment plc for the issuance of Senior German Fixed Rate Bearer Notes, Subordinated German Fixed Rate Bearer Notes, Senior Luxembourg Fixed Rate Bearer Notes, Subordinated Luxembourg Fixed Rate Bearer Notes, Senior Luxembourg Fixed Rate Registered Notes, Subordinated Luxembourg Fixed Rate Registered Notes, Senior Maltese Fixed Rate Registered Notes/Bonds, Subordinated Maltese Fixed Rate Registered Notes/Bonds as well as Bearer Participation Certificates and Registered Participation Certificates and Equity Participation Instruments.*

*These Final Terms have been prepared for the purposes of Article 8 para. 5 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended) (the **Regulation (EU) 2017/1129**). These Final Terms are represented in the form of a separate document according to Article 8 para. 4 of Regulation (EU) 2017/1129.*

*In order to get the full information the Final Terms are to be read together with the information contained in (a) the base prospectus of Timberland Securities Investment plc (the **Issuer**) dated 21 May 2026 for the issuance of Senior German Fixed Rate Bearer Notes, Subordinated German Fixed Rate Bearer Notes, Senior Luxembourg Fixed Rate Bearer Notes, Subordinated Luxembourg Fixed Rate Bearer Notes, Senior Luxembourg Fixed Rate Registered Notes, Subordinated Luxembourg Fixed Rate Registered Notes, Senior Maltese Fixed Rate Registered Notes/Bonds, Subordinated Maltese Fixed Rate Registered Notes/Bonds as well as Bearer Participation Certificates and Registered Participation Certificates and Equity Participation Instruments (the **Base Prospectus**), (b) any supplements to this Base Prospectus (the **Supplements**), and (c) all other documents whose information is incorporated herein by reference.*

**[In the case of a planned continued offer after expiry of the initial base prospectus under which the notes/bonds or participation certificates are issued, add:** This Base Prospectus shall cease to have effect on 20 May 2027 (midnight) (the **Base Prospectus Expiry Date**). In respect of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] whose date of maturity is later than the Base Prospectus Expiry Date, the public offer of such [Notes][Bonds][Participation Certificates][Equity Participation Instruments] may be made on the basis of one or more subsequent base prospectuses (each a **Successor Base Prospectus**) after the Base Prospectus Expiry Date in accordance with Article 8 para. 11 of Regulation (EU) 2017/1129, to the extent that the (respective) Successor Base Prospectus (i) has been approved and published in electronic form on the Issuer's website (<https://timberlandsecuritiesinvestmentplc.com>) (or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer) no later than the last day of validity of the Base Prospectus, (ii) includes or incorporates by reference the form of final terms set out in the respective section entitled "Form of Final Terms" of the Base Prospectus, and (iii) refers to these Final Terms as relevant for a continuing offer in the sub-section entitled "Continuation of Public Offers" of the Base Prospectus. In this context, these Final Terms are, in each case, to be read in conjunction with the (most recent) Succeeding Base Prospectus.

**[In the case of a continued offer of the notes/bonds or participation certificates under the original base prospectus, add:** This Base Prospectus (also the **Original Base Prospectus**) under which the public offering of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] described in these Final Terms is continued, shall cease to have effect on [insert date] (midnight) (the **Original Base Prospectus Expiry Date**). In respect of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] whose date of maturity is later than the Original Base Prospectus Expiry Date, the public offer of such [Notes][Bonds][Participation Certificates][Equity Participation Instruments] may be continued on the basis of one or more subsequent base prospectuses (the **Successor Base Prospectus**) after the Original Base Prospectus Expiry Date in accordance with Article 8 para. 11

of Regulation (EU) 2017/1129, to the extent that the Successor Base Prospectus (i) has been approved and published in electronic form on the Issuer's website (<https://timberlandsecuritiesinvestmentplc.com>) (or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer) no later than the last day of validity of the Original Base Prospectus, (ii) includes or incorporates by reference the form of final terms set out in the section entitled "Form of Final Terms" of the Original Base Prospectus, and (iii) refers to these Final Terms as relevant for a continuing offer in the sub-section entitled "Continuation of Public Offers" of the Original Base Prospectus. In the event of a public offering of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]is being continued under the Successor Base Prospectus, the relevant Final Terms, shall be read in conjunction with the Successor Base Prospectus, which means that, in such case, each reference to the prospectus made in the relevant Final Terms shall be deemed to constitute a reference to the Successor Base Prospectus, with the exception of the security-specific terms and conditions of the relevant issue (which will continue to be governed by the Original Base Prospectus).]

**[In the case of a continued offer of the notes/bonds or participation certificates under a successor base prospectus, add:** This Base Prospectus (also the **Successor Base Prospectus**) under which the public offering of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]described in these Final Terms is continued, shall cease to have effect on 06 March 2026 (midnight) (the **Successor Base Prospectus Expiry Date**). In respect of [Notes][Bonds][Participation Certificates][Equity Participation Instruments]whose date of maturity is later than the Successor Base Prospectus Expiry Date, the public offer of such [Notes][Bonds][Participation Certificates][Equity Participation Instruments]may be continued on the basis of a subsequent successor base prospectuses (the **Subsequent Successor Base Prospectus**) after the Successor Base Prospectus Expiry Date in accordance with Article 8 para. 11 of Regulation (EU) 2017/1129, to the extent that the (respective) Subsequent Base Prospectus w (i) has been approved and published in electronic form on the Issuer's website (<https://timberlandsecuritiesinvestmentplc.com>) (or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer) no later than the last day of validity of the Successor Base Prospectus, (ii) includes or incorporates by reference the form of final terms set out in the section entitled "Form of Final Terms" of the Successor Base Prospectus, and (iii) refers to these Final Terms as relevant for a continuing offer in the sub-section entitled "Continuation of Public Offers" of the Successor Base Prospectus. In the event of a public offering of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]is being continued under the Successor Base Prospectus, the relevant Final Terms, shall be read in conjunction with the Successor Base Prospectus, which means that, in such case, each reference to the prospectus made in the relevant Final Terms shall be deemed to constitute a reference to the relevant Successor Base Prospectus, with the exception of the security-specific terms and conditions of the relevant issue (which will continue to be governed by the original base prospectus dated [●]).]

**The Base Prospectus dated 21 May 2026 has been approved by the Swedish Financial Supervisory Authority Finansinspektionen (the Swedish FSA) as competent authority under Regulation (EU) 2017/1129.**

**The Swedish FSA has only approved the base prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of these final terms and investors should make their own assessment as to the suitability of investing in the securities.**

**The Swedish FSA has provided the competent authority(ies) of [insert details of relevant Host Member State(s)] with a certificate of approval attesting that the Base Prospectus dated 21 May 2026 has been drawn up in accordance with the provisions of Regulation (EU) 2017/1129. This should not be considered as an endorsement of the quality of the securities that are the subject of these final terms and investors should make their own assessment as to the suitability of investing in the securities.**

**This Base Prospectus is drawn up in the English language. The language of the Base Prospectus is English.**

**Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.**

*These Final Terms must be read in conjunction with the Base Prospectus dated 21 May 2026 (as supplemented from time to time) including the information incorporated by reference. Full information on the Issuer and the offer of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented from time to time), including the information incorporated by reference.*

*These Final Terms consist of three parts: Part I – Terms and Conditions of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]; Part II – General Information; and Part III – Provisions for Meetings of [Noteholders][Bonds][Equity Participation Certificate][Instrument] Holders. [A summary of the individual issue of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] is annexed to these Final Terms.<sup>2</sup>]*

**According to Article 23 no. 2 of the Regulation (EU) 2017/1129 where the Base Prospectus relates to an offer of securities to the public, investors who have already agreed to purchase or subscribe for the securities before a supplement in regard to Article 23 no. 1 of Regulation (EU) 2017/1129 is published shall have the right, exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 no.1 of Regulation (EU) 2017/1129 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.**

*The Base Prospectus, any Supplements and these Final Terms are available [[●] and in addition] [in printed version free of charge at [●] and in addition] on the website <https://timberlandsecuritiesinvestmentplc.com> (or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer).*

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<sup>2</sup> Not applicable in the case of an issue of Notes/Bonds/Participation Certificates/Equity Participation Instruments with a minimum denomination of at least EUR 100,000.

**Part I – Terms and Conditions of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]**

*[In the case of Senior German Fixed Rate Bearer Notes replicate the relevant provisions of Option I (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Subordinated German Fixed Rate Bearer Notes replicate the relevant provisions of Option II (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Senior Luxembourg Fixed Rate Bearer Notes replicate the relevant provisions of Option III (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Subordinated Luxembourg Fixed Rate Bearer Notes replicate the relevant provisions of Option IV (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Senior Luxembourg Fixed Rate Registered Notes replicate the relevant provisions of Option V (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Subordinated Luxembourg Fixed Rate Registered Notes replicate the relevant provisions of Option VI (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Senior Maltese Fixed Rate Registered Notes/Bonds replicate the relevant provisions of Option VII (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Subordinated Maltese Fixed Rate Registered Notes/Bonds replicate the relevant provisions of Option VIII (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Bearer Participation Certificates replicate the relevant provisions of Option I (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Registered Participation Certificates replicate the relevant provisions of Option II (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Equity Participation Instruments replicate the relevant provisions of Option III (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

## Part II – General Information

**[In case of a continuation, insert:** This Part II of these Final Terms is to be read in conjunction with the terms and conditions set forth [initially] in the part of the base prospectus dated [insert date] [and the supplement[s] to it dated [insert date(s)]], as incorporated by reference. [Besides that, these Final Terms are also to be read in conjunction with this Base Prospectus [, as amended,] and the base prospectus[es] [, as amended,] dated [insert date], as incorporated by reference.]

[The conditions applicable to the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] are the result of following selection, completion, reproduction or deletion of the options contained in the relevant terms and conditions as set out in the relevant terms and conditions.]

### I. Essential information

#### *Material interests:*

Material interests, including conflicting ones, of natural and legal persons involved in the issue/offer [Not applicable.][Insert description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.]

#### *Reasons for the offer, use of proceeds estimated net proceeds and estimated total expenses:*

Reasons for the offer and use of proceeds [Specify details with regard to reasons for the offer and use of proceeds.]

Estimated net proceeds<sup>3</sup> [●]

Estimated total expenses<sup>4</sup> [●]

### II. Information concerning the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]

#### *Securities identification numbers:*

ISIN [ISIN] [●][Not applicable.]

Other security identification code(s) [WKN] [●]

[MT] [●]

[FISN] [●]

[CFI Code] [●]

[insert any other security code] [●]

<sup>3</sup> If proceeds are intended for more than one use they will need to be split out and presented in order of priority. Not required in the case of an issue of Notes/Bonds/Participation Certificates/Equity Participation Instruments with a minimum denomination of at least EUR 100,000.

<sup>4</sup> Not required in the case of an issue of Notes/Bonds/Participation Certificates/Equity Participation Instruments with a minimum denomination of at least EUR 100,000.

[Not applicable.]

*Aggregate [nominal][principal] amount, [nominal][principal] amount, specified currency and issue price:*

Aggregate [nominal][principal] amount [●]

[Nominal][Principal] amount [●]

Total amount of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] offered [to the public][/][being admitted to trading] [●]

Specified currency [●]

Issue price [●]

[The issue price means for the period between [insert date] until and including [insert date] [●] and for the period between [insert date] until and including [insert date] [●].]

[In case the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] are offered without engagement after expiry of the subscription period, the issue price of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] will be determined by the Issuer in its own free discretion taking into account actual market conditions.]

*Historic interest rates and further performance as well as volatility:*

Description of the underlying the interest rate is based on [●][Not applicable.]

*Yield:*

Indication of yield (at maturity and based on issue price) [●]

*[Security/Collateral:*

[Security for the [Notes][Bonds]

[Not applicable.] [The [Notes][Bonds] are secured as follows: *[specify nature of security, assets covered, jurisdiction, ranking, and enforcement mechanism]*. Such security does not enhance the seniority of the claims under the [Notes][Bonds].]

### III. Terms and conditions of the offer

*Conditions of the offer, offer period, offer statistics, expected time table, application process and public offer jurisdictions:*

Conditions, to which the offer is subject

[Save for the conditions to the offer as set out in the Base Prospectus [as well as in this subsection III of Part II], no further conditions to the offer shall apply.]

[insert other conditions to which the offer is subject to]

Offer period

[The offer period [starts][started] on [insert date] and will finish on [insert date][; the Issuer intends to continue the offer period for the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] after expiry of the period of validity of the Base Prospectus under a succeeding Base Prospectus]. [The Issuer reserves the right for any reason to close the offer period at any time.]

[Subsequent resale or final placement of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] may be made until [insert date].][●]

[Under the previous Base Prospectus[es] dated [insert date(s)], the offer period initially started on [insert date]. The offer period in accordance with this Base Prospectus starts on [insert date] and will finish on [insert date] [(insert time) [p.m.][a.m.] local time)] or, in case the Issuer continues the offer period for the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] after expiry of the period of validity of this Base Prospectus under one or more succeeding Base Prospectus, on [[insert date] at the latest; the Issuer intends to continue the offer period for the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] after expiry of the period of validity of the Base Prospectus under a succeeding Base Prospectus. The Issuer reserves the right for any reason to close the offer period at any time.]

[insert other offer period details]

Time period, including any possible amendments, during which the offer of the [Notes][Bonds][Participation

[The [Notes][Bonds][Participation Certificates][Equity Participation Instruments][initially] will be offered during a subscription period[.]; the Issuer intends to

<p>Certificates][Equity Participation Instruments] will be open</p>	<p>continue the subscription period for the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] after expiry of the period of validity of the Base Prospectus under a succeeding Base Prospectus in case the offer period will be continued under a succeeding Base Prospectus.][●]</p> <p>[Subscription period: [insert first day of subscription period] – [insert last day of subscription period] ([insert time] [p.m.][a.m.] local time)][●]</p> <p>[The Issuer reserves the right to continue the subscription period in connection with a public offer subject to the filing of new Final Terms for the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] under another base prospectus.][●]</p> <p>[After expiration of the subscription period, the offer period [continues][may be continued]. The offer [will][may] be made without engagement.][●]</p>
<p>Description of the application process</p>	<p>[●]</p>
<p>Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants</p>	<p>[●][Not applicable.]</p>
<p>Minimum amount of application</p>	<p>[●][Not applicable.]</p>
<p>Maximum amount of application</p>	<p>[●][Not applicable.]</p>
<p>Method and time limits for paying up the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] and for delivery of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]</p>	<p>[The delivery of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] shall be [free of payment][against payment] [on [insert date]].][insert other details for delivery]</p> <p>[Each investor will be notified of the settlement arrangements in respect of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] at the time of such investor's application.]]</p> <p>[●]</p>
<p>Procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised</p>	<p>[●][Not applicable.]</p>

Manner and date in which results of the offer are to be made public [The Issuer will inform the [Noteholders][Bondholders][Participation Certificate Holders] during the offer period about the number of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] sold during such offer period to investors by publishing the relevant information on the website of the Issuer ([insert website]) [or any successor website [in each case] thereof].][●]

Process for notifying applicants of the amount allotted [●]

Indication whether dealing may begin before notification is made [●][Not applicable.]

Jurisdiction(s), in which non-exempt offer may take place Non-exempt offers may be made in [the Republic of Austria] [and] [the Kingdom of Belgium] [and] [the Kingdom of Sweden] [and] [the Republic of Croatia] [and] [the Republic of Cyprus] [and] [the Czech Republic] [and] [the Federal Republic of Germany ] [and] [the French Republic] [and] [Hungary] [and] [the Republic of Ireland] [and] [the Italian Republic] [and] [the Republic of Malta] [and] [the Netherlands] [and] [the Republic of Poland] [and] [Romania] [and] [the Slovak Republic] [and] [the Republic of Slovenia] [and] [the Kingdom of Spain] [and] [●].

#### IV. Commissions and expenses

Selling commission [●][None.]

Other commissions [●][None.]

Expenses and taxes specifically charged to the subscriber or purchaser [●][None.]

Expenses and proceeds to be broken into each principal intended use and presented in order of priority of such uses [●][Not applicable.]

In case the anticipated proceeds will not be sufficient to fund all the proposed uses, a statement regarding the amount and sources of other funds needed [●][Not applicable.]

#### V. Placing and underwriting

Underwriting [The [Notes][Bonds][Participation Certificates][Equity Participation Instruments] will be underwritten [with a firm commitment

basis][without a firm commitment basis][under best efforts arrangements] by the following Distribution Agent[s]: [insert Distribution Agent(s)].] [[insert percentage] per cent. of the issue is not underwritten.]

[The [underwriting][subscription] agreement [is][will be] dated as of [insert date].]

[Not applicable.][●]

Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer, of the placers in the various countries where the offer takes place

[●][Not applicable.]

## VI. Clearing, custody and trading

Clearing System, Custody

[Euroclear] [/] [Clearstream Luxembourg] [/] [Clearstream Europe] [/] [Central Securities Depository of the Malta Stock Exchange] [/] [OeKB CSD] [/] [SIX SIS AG] [/] [Euroclear Sweden] [/] [Euronext Securities Milan (Monte Titoli S.P.A.)] [Not applicable.]

Admission to trading

[Not applicable.] [However, application][Application] [has been][will be][may be] made to [list the [Notes][Bonds][Participation Certificates] [Equity Participation Instruments]] [include the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] to trading] on [and] [the Euronext Paris] [and] [Euronext Brussels] [and Euronext Dublin] [and] [Borsa Italiana] [and] [the Vienna MTF market of the Vienna Stock Exchange] [and] [the MTF market of the Stuttgart Stock Exchange] [and] [the MTF market of the Frankfurt Stock Exchange] [and] [the Prospects MTF of the Malta Stock Exchange] [and] [Nasdaq Stockholm] [and] [Nordic Growth Market NGM] [and] [*insert other unregulated market(s)*], which [is][are] not [a] regulated market[s] [and] [on one or more organised trading facilities (OTF)] [each] within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.]

[Application [has been][will be][may be] made for the admission to trading of the [Notes][Bonds][Participation

Certificates][Equity Participation Instruments] on the regulated market[s] of [the Euronext Paris] [and] [Euronext Brussels] [and Euronext Dublin] [and] [Borsa Italiana] [and] [the Irish Stock Exchange] [and] [the Vienna Stock Exchange] [and] [the Malta Stock Exchange] [and] [Nasdaq Stockholm] [and] [*insert other regulated market(s)*], which [is][are] [a] regulated market[s] [each] within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU. For the avoidance of doubt "and" means in regard to admission to trading of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] one or more regulated market(s).]

[Expected date of admission

[●][Not applicable.]]

[Regulated markets (or third country markets, SME Growth Market or MTFs) on which, to the knowledge of the Issuer, securities of the same class of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] to be offered to the public or admitted to trading are already admitted to trading

[the Euronext Paris] [and] [Euronext Brussels] [and Euronext Dublin] [and] [Borsa Italiana] [and] [Irish Stock Exchange] [and] [Vienna Stock Exchange] [and] [Malta Stock Exchange] [and] [Nasdaq Stockholm] [Nordic Growth Market NGM][and] [*insert other regulated market(s)*] [Not applicable.]

In the case of admission to trading on a regulated market, the name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment

[●][Not applicable.]]

## VII. Ratings

Ratings assigned to the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]

[specify details][Not applicable.]

## VIII. Consents and selling restrictions

Consent to the use of the Base Prospectus

The Issuer consents to the use of the Base Prospectus (under which the offer of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments] by all financial intermediaries during the period

of validity of the Base Prospectus by all financial intermediaries (so-called general consent).

General consent for the subsequent resale or final placement of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] by the financial [intermediary][intermediaries] is given in relation to the Kingdom of Sweden and the Republic of Austria and the Kingdom of Belgium and the Republic of Croatia and the Republic of Cyprus and the Czech Republic and the Federal Republic of Germany and the French Republic and Hungary and the Republic of Ireland and the Italian Republic and the Republic of Malta and the Netherlands and the Republic of Poland and Romania and the Slovak Republic and the Republic of Slovenia and the Kingdom of Spain.

The Issuer's consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions as well as the terms and conditions of the offer.

Moreover, the Issuer's consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments]. This commitment is made by the publication of the financial intermediary on its website stating that the Base Prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent.

[Besides, the consent is not subject to any other conditions.][In addition, the consent is subject to the following conditions: *[specify details]*]

[Selling Restrictions

[The offer is [not] a non-exempt offer.]

[Prohibition of sales to retail investors in the European Economic Area does [not] apply.]

[Insert any other selling restriction.]

[Not applicable.]]

## **IX. Post-issuance information**

Publication of post-issuance information

[Except for notices required under the terms and conditions of the [Notes][Bonds][Participation Certificates][Equity Participation Instruments], the Issuer does not intend to report post-issuance information.][The Issuer intends to report post-issuance information [on the website ([insert website]) [(or any successor or replacement address thereto, in which case an automatic redirection will be ensured by the Issuer))] as follows: [●]]

Website, on which any new information unknown at the time the Base Prospectus was approved or these Final Terms were filed with the relevant competent authority/authorities will be published

<https://timberlandsecuritiesinvestmentplc.com>  
(or any successor or replacement address thereto, in which case an automatic redirection will be ensured by the Issuer)

**Part III – Provisions for Meetings of [Noteholders][Bondholders][Participation Certificate Holders][Participation Instrument Holders]**

*[In the case of Option I – Senior German Fixed Rate Bearer Notes the relevant provisions of Noteholders Meeting Provisions are already part of the relevant Terms and Conditions of the Notes. Therefore, in this case this Part III just refers to the Terms and Conditions of the Notes:]*

[This Part refers to the Terms and Conditions of the Notes and there to § [13][●] that covers the amendments to the Terms and Conditions by resolution of the Noteholders; Joint Representative.]

*[In the case of Option II – Subordinated German Fixed Rate Bearer Notes the relevant provisions of Noteholders Meeting Provisions are already part of the relevant Terms and Conditions of the Notes. Therefore, in this case this Part III just refers to the Terms and Conditions of the Notes:]*

[This Part refers to the Terms and Conditions of the Notes and there to § [13][●] that covers the amendments to the Terms and Conditions by resolution of the Noteholders; Joint Representative.]

*[In the case of Option III – Senior Luxembourg Fixed Rate Bearer Notes III:]*

[In accordance with applicable laws, articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.]

*[Replicate the relevant provisions of Noteholder Meeting Provisions (including relevant further options contained therein) set out in this Base Prospectus:]*

*[In the case of Option IV – Subordinated Luxembourg Fixed Rate Bearer Notes:]*

[In accordance with applicable laws, articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.]

*[Replicate the relevant provisions of Noteholder Meeting Provisions (including relevant further options contained therein) set out in this Base Prospectus:]*

*[In the case of Option V – Senior Luxembourg Fixed Rate Registered Notes:]*

[In accordance with applicable laws, articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.]

*[Replicate the relevant provisions of Noteholder Meeting Provisions (including relevant further options contained therein) set out in this Base Prospectus:]*

*[In the case of Option VI – Subordinated Luxembourg Fixed Rate Registered Notes:]*

[In accordance with applicable laws, articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.]

*[Replicate the relevant provisions of Noteholder Meeting Provisions (including relevant further options contained therein) set out in this Base Prospectus:]*

*[In the case of Option VII – Senior Maltese Fixed Rate Registered Notes/Bonds the relevant provisions of Noteholders Meeting Provisions are already part of the relevant Terms and Conditions of the [Notes][Bonds]. Therefore, in this case this Part III just refers to the Terms and Conditions of the [Notes][Bonds]:]*

[This Part refers to Clause 13 of the Terms and Conditions of the [Notes][Bonds].]

*[In the case of Option VIII – Subordinated Maltese Fixed Rate Registered Notes/Bonds the relevant provisions of Noteholders Meeting Provisions are already part of the relevant Terms and Conditions of the [Notes][Bonds]. Therefore, in this case this Part III just refers to the Terms and Conditions of the [Notes][Bonds]:]*

[This Part refers to Clause 13 of the Terms and Conditions of the [Notes][Bonds].]

*[In the case of Option I – Participation Certificates in bearer form:]*

*[In the case articles 470-3 – 470-19 of the Companies Act 1915 shall not apply, insert: In accordance with applicable laws, articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Participation Certificates.]*

*[In the case articles 470-3 – 470-19 of the Companies Act 1915 shall apply, replicate the relevant provisions (section "Provisions for Meetings of Participation Certificate Holders") (including relevant further options contained therein) set out in this Base Prospectus and insert: [insert provisions for holders of participation certificates here]]*

*[In the case of Option II – Participation Certificates in registered form:]*

*[In the case articles 470-3 – 470-19 of the Companies Act 1915 shall not apply, insert: In accordance with applicable laws, articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Participation Certificates.]*

*[In the case articles 470-3 – 470-19 of the Companies Act 1915 shall apply, replicate the relevant provisions (section "Provisions for Meetings of Participation Certificate Holders") (including relevant further options contained therein) set out in this Base Prospectus and insert: [insert provisions for holders of participation certificates here]]*

*[In the case of Option III – Equity Participation Instruments in bearer form:]*

[This Part refers to the Terms and Conditions of the Equity Participation Instruments and there to § 14 that covers the amendments to the Terms and Conditions by resolution of the Participation Instrument.]

*[In the case articles 470-3 – 470-19 of the Companies Act 1915 shall apply, replicate the relevant provisions (section "Provisions for Meetings of Participation Instrument Holders") (including relevant further options contained therein) set out in this Base Prospectus and insert: [insert provisions for holders of participation instruments here]]*

*[Insert issue specific summary here. It shall be noted that the issue specific summary needs to be drafted on the basis of the summary relating to the Base Prospectus. No further information may be added, but the information will be made specific for the relevant issue of [Notes][Bonds][Participation Certificates][Equity Participation Instruments] only, i.e. parts of the summary relating to the Base Prospectus which are of no relevance for a specific issue must be deleted and information which is drafted in a general manner must be replaced by issue specific information.<sup>5</sup>]*

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<sup>5</sup> Not required for Notes/Bonds/Participation Certificates/Equity Participation Instruments with a Specified Denomination of at least EUR 100,000.

## THE ISSUER

### I. INFORMATION ABOUT THE ISSUER

#### 1. History and Development of the Issuer

The Issuer was registered in Malta for an indefinite duration on 30 January 2015 under the name Timberland Securities Investment Ltd, a private limited liability company incorporated in terms of the Companies Act (Cap. 386 of the Laws of Malta). On 19 April 2016, the Issuer changed its status to a public limited liability company, as a result of which, the name of the Issuer was changed to Timberland Securities Investment plc.

#### 2. Administrative and Legal Information

Full legal and commercial name: Timberland Securities Investment plc

Legal Identifier (LEI): 894500CA1XTDSTWJ1T79

Company registration number: C-68856

Registered address: CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta

Office: CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023, Malta

Place of registration and domicile: Malta

Telephone number: +356-209081-00

Fax number: +356-209081-50

Email: [info@timberlandsecuritiesinvestmentplc.com](mailto:info@timberlandsecuritiesinvestmentplc.com)

Website: <https://timberlandsecuritiesinvestmentplc.com/>

#### 3. Share Capital and Major Shareholder

As at the date of this Base Prospectus, the Issuer has an authorised share capital of EUR 50,000 divided into 49,999 ordinary A shares and 1 ordinary B share of one (1) Euro each. The issued share capital of the Issuer is of EUR 50,000 divided into 49,999 ordinary A shares and 1 ordinary B share of one (1) Euro each.

The Issuer is a subsidiary of Timberland Holding II Ltd, Malta, incorporated under the laws of Malta. The Issuer has certain measures in place that intend to prevent any abuse of control of the Issuer. In addition to the fact that applicable statutory corporate law provisions and regulations prevent such a misconduct by virtue of law, the Issuer applies internal customary measures and robust governance practices to avoid a potential abuse of control by the sole shareholder.

#### 4. Conflicts of Interests

There are no actual conflicts of interests between the interests of the Issuer and its duties vis-à-vis other issuers for which the Issuer acts as arranger or sub-arranger or in relation to Noteholders.

An entrepreneurial conflict of interest could arise in the fact, that persons such as but not limited to the Members of the Board of Directors of the Issuer are acting in different functions such as Members of the Board of Directors of inter alia (i) Timberland Invest Ltd and/or Timberland Capital Management GmbH as distributor(s) to Notes of the Issuer, to the extent as applicable, and (ii) E-Stream Energy Management GmbH as the General Partner of E-Stream Energy GmbH & Co KG, while the Issuer is guarantor to Notes issued by E-Stream Energy GmbH & Co KG. Furthermore, there might be potential conflicts of interest for such persons in regard to current or future entrepreneurial activities or shareholdings outside their activity to the Issuer or due to other business activities or other entrepreneurial participations or shareholdings of (i) their own and/or (ii) while acting for and on behalf of other parties. There are actually no such conflicts of interests.

The measures in place that a control of the Issuer is not abused is governed by and in accordance with the provisions of the applicable laws and regulations. There is no knowledge of the existence of any abuse of control is exercised by the Issuer.

#### 5. Principle Legislation and Financial Year

The principal legislation under which the Issuer operates is Maltese law. The financial year corresponds to the calendar year.

#### 6. Selected Financial Information

The audited Report and Financial Statements of the Issuer for the financial period from 1 January 2024 to 31 December 2024 and the audited Report and Financial Statements of the Issuer for the financial period from 1 January 2025 to 31 December 2025 have been prepared in accordance with General Accounting Principles for Small and Medium-sized Entities (GAPSME), Cap. 386 of the Laws of Malta:

	2024(€)
Non-Current assets	881,263
Current assets	9,858,421
Total Assets	10,739,691
Shareholder's Equity	(8,086,418)
Total Liabilities	18,826,109
Total Equity and Liabilities	10,739,691
	2025 (€)
Non-Current assets	867,039

Current assets	8,937,205
Total Assets	9,804,244
Shareholder's Equity	(8,763,194)
Total Liabilities	18,567,438
Total Equity and Liabilities	9,804,244

The Financial Statements of the Issuer as at and for the financial year ended 31 December 2024 and as at and for the financial year ended 31 December 2025 have been independently audited. The financial statements have been prepared in accordance with the Accounting Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 ('GAPSME').

## **7. Corporate Purpose and principal objects of the Issuer**

The principal objects of the Issuer (and powers which may be exercised to attain such objects) are those which are set out in clause 4 of the Issuer's Memorandum of Association, which is incorporated by reference herein.

## **8. Significant or Material Changes and recent Events and Trends**

### **a) Significant or material change in the financial or trading position of the Issuer**

There has been no significant change in the financial position or financial performance of the Issuer and no material adverse change in the prospects of the Issuer since 31 December 2025 the date of its last published audited financial statements.

### **b) Material changes in the Issuer's borrowing and funding structure since the last financial year and the expected financing of the Issuer's activities**

There are no material changes in the Issuer's borrowing and funding structure since the last financial year. Financing is still based on (i) own funds, (ii) operating income, (iii) loans granted to Timberland Securities Investment plc and (iv) future refinancing by issuing bonds.

### **c) Details of any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency**

The events that which are to a material extent relevant to an evaluation of the Issuer's solvency (a description of which is incorporated by reference – see section "*Documents incorporated by reference*") are potentially relevant to the Issuer.

### **d) Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year**

The trends, uncertainties, demands, commitments and events that may impact the Issuer (a description of which is incorporated by reference – see "*Documents Incorporated by Reference*" above) are potentially relevant to the Issuer's prospects at least the current financial year.

## **9. Litigation and Arbitration**

The Issuer was not engaged in any governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which are likely to have a material adverse effect upon the Issuer's financial position or profitability.

## **10. Statutory Auditor**

The audit firm of the Issuer is KSI Malta, Certified Public Accountants, having its registered office at 6, Villa Gauci, Mdina Road, Balzan, BZN 9031 and is registered with the Malta business registry under No LPA 92.

## **11. Tax Advisory**

Tax advisory to the Issuer is provided inter alia by Giorgio & Associates, registered in Malta; Giorgio & Associates is having its registered office at Regent House, 61, Bisazza Street, Sliema, SLM 1640, Malta.

## **12. Administration**

In terms of the Issuer's Memorandum of Association, the Issuer's board of directors must consist, at all times, of a minimum of two directors and a maximum of five directors. The business address of the directors of the Issuer is the same as that of the Issuer.

As at the date of the publication of this Base Prospectus, the directors of the Issuer are as follows:

### ***Dirk Koester***

Since 2015, Mr Koester has been Managing Director of the Issuer.

Furthermore, Mr Koester has been working in the financial sector since 1987. From 1987 to 1992 he worked in foreign exchange trading and futures trading, first with Dean Witter Reynolds in Frankfurt am Main, later with Prudential Bache in Munich and with Merrill Lynch in Munich.

In 1992, Mr Koester became self-employed in the investment sector and has been working with Timberland Capital Management GmbH since 1996, where he has been responsible for asset management since 1999. Since 1999 Mr Koester has been working for Timberland Service GmbH in the field of sales control.

Since 2003, Mr Koester has been responsible together with Mr Kraemer for the portfolio management of several mutual funds. He is a member of the Board of Directors of the financial services institutions Timberland Invest Ltd. and Timberland Fund Management Ltd. Mr Koester has, since 2003, performed individual portfolio management, fund management and investment advisory services for Timberland Capital Management GmbH. Since 1999, Mr Koester has also worked for other licensed financial service provider in Germany.

In addition to the above, Mr Koester has also, since 1999, setup several investment structures and AIFs, which were authorized for public offering. His work included several functions ranging from assistance in setting up of the said structures to the day-to-day running thereof including inter alia being a member of a supervisory board.

Mr. Koester serves as member of the board of directors of several other companies (not related to the Issuer).

Mr Koester is a member of the board of directors and member of the investment committee of Timberland Fund Management Ltd. and member of the board of directors and member of investment advisory committee of Timberland Invest Ltd. Timberland Fund Management Ltd. is a Maltese MFSA-licensed full-scope AIFM, which is authorised to manage open-ended and close-ended AIFs and is also authorised to perform discretionary portfolio management services, to receive and transmit orders and to provide investment advice. Timberland Fund Management Ltd. passports its services to all Member States of the European Union. Timberland Invest Ltd. is licensed as MiFID-company to provide a number of services including the reception and transmission of orders, investment advice and placement of financial instruments without a firm commitment in respect of all financial instruments falling within the remit of Annex 1 to MiFID II, and inter alia performing nominee services (securities account below the CSD). Timberland Invest Ltd. passports its service to all Member States of the European Union and to Norway, Island and Liechtenstein, all of which are countries of the European Economic Area.

### ***Thomas Kraemer***

Mr Kraemer has been working in the financial sector since 1993. Since 1996 he has been a managing partner of Timberland Capital Management GmbH, which manages financial portfolios throughout Europe, and since 1999 a managing partner of further financial service providers for investment brokerage and investment consulting.

Since 2003, Mr Kraemer has been (co-) responsible for the portfolio management of several mutual funds. He is a member of the Board of Directors of the financial services institutions Timberland Invest Ltd. and Timberland Fund Management Ltd. Mr Kraemer has, since 1998 performed individual portfolio management, fund management and investment advisory services for Timberland Capital Management GmbH.

In addition to the above, Mr Kraemer has also, since 1999, setup several investment structures and AIFs, which were authorized for public offering. His work included several functions ranging from assistance in setting up of the said structures to the da-to-day running thereof including inter alia being a member of Board of Directors.

Mr Kraemer is also a board member and investment committee member of Timberland Fund Management Ltd. and a board member and member of investment advisory committee of Timberland Invest Ltd. Timberland Fund Management Ltd. is a Maltese MFSA-licensed full-scope AIFM, which is authorised to manage open-ended and close-ended AIFs and is also authorised to perform discretionary portfolio management services, to receive and transmit orders and to provide investment advice. Timberland Fund Management Ltd. passports its services to nearly all Member States. Timberland Invest Ltd. is licensed as MiFID-company to provide a number of services including the reception and transmission of orders, investment advice and placement of financial instruments without a firm commitment in respect of all financial instruments falling within the remit of Annex 1 to MiFID II, and inter alia performing nominee services (securities account below the CSD regime). Timberland Invest Ltd. passports its service to all Member States and to Norway, Island and Liechtenstein, all of which are countries of the European Economic Area.

Mr Kraemer also serves as member of the board of directors of several financial and non-financial entities (not related to the Issuer).

### ***Anthony J Paris***

Mr Paris is a business consultant mainly working on projects to deliver improvements in service delivery performance and project management. His ideas on project leadership and management are described in a book written by Gordon D. Webster and published by Gower Press in English

and by the Spanish Institute for Quality in Spanish. His management work included several years helping organizations like Chase Manhattan Bank, American Express, Metropolitan Life, NASA, and General Electric in the USA. Currently he is based in Europe, consulting with large organizations such as Computer Sciences Corporation (CSC), Schindler Elevators & Escalators, Citibank, BBVA, Department of the Treasury (Southern Australia), Genpact and UST Global.

He graduated in mechanical engineering from University of Manchester, in England. At the same university, he later wrote a thesis on the cooling and controlling of nuclear reactors using liquid sodium as a coolant and was awarded a M.Sc. from Manchester University. His mathematical modelling work on nuclear reactors forms the basis of a number of business, financial and risk assessment models that he developed for various clients.

Mr Paris worked as systems analyst in England from 1968 to 1970 and moved to USA in 1970 where he worked with several financial institutions as management consultant from 1970 to 1978 developing systems to help investment analysts and portfolio managers. In 1978, he started a management training & consulting business in New York delivering services to Fortune 500 companies. From 1990 to 1996, he was managing director for Air Malta, the Maltese national airline, performing a major reorganization and implementing major automation projects. From 1996 onwards, he worked with major companies in the fields of operations management, project management and service management.

Mr Paris currently co-manages a USD 30 million family office fund. In addition, he is a director on the board of various fund management and administration companies based in Malta, with MLRO and risk officer responsibility. Mr Paris is a director of Timberland Invest Ltd. and Timberland Fund Management Ltd.

## **II. ORGANISATIONAL STRUCTURE AND DEPENDENCY ON OTHER COMPANIES**

As of the date of this Base Prospectus, the shareholders of the Issuer are as follows:

- Timberland Holding II Ltd. (C 68800), having registered address at 171, Old Bakery Street, Valletta, VLT 1455, Malta, which holds 99.99 per cent. of the issued share capital of the Issuer; and
- Timberland Investment Ltd. (MC-295373), having registered address at PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, which holds 0.01 per cent. of the issued share capital of the Issuer.

The Issuer does, as of the date of this Base Prospectus, have shareholdings in other companies. Besides the fact that the Issuer is a subsidiary of Timberland Holding II Ltd, the Issuer is not dependent on any other company.

## **III. PRINCIPAL ACTIVITIES, PERFORMED SERVICES AND OFFERED PRODUCTS**

### **1. Arranger in respect of Issuance of notes by various issuers**

As of the date of the publication of this Base Prospectus, the principal activity of the Issuer is acting as arranger or sub-arranger in respect of the issuance of (limited recourse) notes of other (securitisation) issuers. In its role as arranger or sub-arranger in respect of the issuance of notes by the afore-mentioned entities, of which are also securitization vehicles, the Issuer provides (amongst others) the following services:

- the provision of consultancy services in connection with the acquisition, holding and liquidation of (the underlying securitized) assets; and

- the co-ordination of all documentary and legal aspects of the issuance of instruments by such issuer.

As consideration for performing its role as arranger or sub-arranger in respect of the issuance of the instruments by such other issuers, the Issuer is generally entitled to receive a remuneration and cost reimbursements (depending of the respective instrument issued by these issuers fix and variable fees/remunerations and out-of-pocket expenses).

The Issuer may, in the future, act as arranger or sub-arranger in other transactions such as but not limited to securitization and index-linked transactions or carry out other services in any of the afore-mentioned and/or other jurisdictions.

The Issuer is a shareholder in various companies and may generate additional income based on said shareholder role.

## **2. Tiny House and Hospitality Business**

### **a. Overview and Market Environment**

The Issuer is an operationally active company in this business section focusing on the development, structuring, marketing and sale of modular real asset concepts, including mobile and semi-mobile residential units ("Tiny Houses") and related infrastructure concepts.

The Issuer operates within the broader European tourism and hospitality sector, which represents one of the largest economic sectors globally and has returned to a long-term growth trajectory following the COVID-19 pandemic. International tourist arrivals reached approximately 1.52 billion globally in 2025, representing an increase of approximately 4% year-on-year and confirming the continuation of historical growth trends<sup>1</sup>.

Within Europe, tourism demand has recovered to and in many regions exceeded pre-pandemic levels, supported by strong domestic travel activity and sustained international demand<sup>2,3,4,5</sup>. Tourism remains a key economic sector across European economies and continues to contribute significantly to GDP and employment<sup>6,7</sup>.

At the same time, structural changes can be observed in the accommodation market. In addition to traditional hotel-based and real estate-based accommodation, alternative formats such as

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<sup>1</sup> UN Tourism (World Tourism Organization), *World Tourism Barometer*, Vol. 24, Issue 1, January 2026  
<https://www.e-unwto.org/doi/pdf/10.18111/wtobarometereng.2026.24.1.1>

<sup>2,3,4,5</sup> European Travel Commission (ETC), *European Tourism: Trends & Prospects – Q2 2024*  
[https://www.epaithros.eu/sites/default/files/pdf-attachments/ETC-Quarterly-Report-Q2-2024\\_Public.pdf](https://www.epaithros.eu/sites/default/files/pdf-attachments/ETC-Quarterly-Report-Q2-2024_Public.pdf)

<sup>3</sup> European Travel Commission (ETC), *Q1 2025 Report*  
<https://etc-corporate.org/uploads/2025/05/ETC-Quarterly-Report-Q1-2025-Public-version.pdf>

<sup>4</sup> European Travel Commission (ETC), *Q2 2025 Report*  
[https://www.etc-corporate.org/uploads/2025/07/ETC-Quarterly-Report-Q2-2025\\_Public.pdf](https://www.etc-corporate.org/uploads/2025/07/ETC-Quarterly-Report-Q2-2025_Public.pdf)

<sup>5</sup> European Travel Commission, *Press Release Q1 2025*  
[https://etc-corporate.org/uploads/2025/05/ETC\\_Press-release\\_Quarterly-Report\\_Q12025\\_07052025.pdf](https://etc-corporate.org/uploads/2025/05/ETC_Press-release_Quarterly-Report_Q12025_07052025.pdf)

<sup>6,7</sup> European Commission, *Tourism Industry Overview*  
[https://single-market-economy.ec.europa.eu/sectors/tourism\\_en](https://single-market-economy.ec.europa.eu/sectors/tourism_en)

<sup>7</sup> European Commission, *EU Tourism Data Space*  
[https://single-market-economy.ec.europa.eu/sectors/tourism/eu-tourism-data-space\\_en](https://single-market-economy.ec.europa.eu/sectors/tourism/eu-tourism-data-space_en)

<sup>8</sup> European Commission, *Transition Pathways for Tourism*  
<https://transition-pathways.europa.eu/tourism>

short-term rentals, modular housing concepts and decentralised accommodation models have gained increasing relevance<sup>8</sup>.

This development is supported by European and national statistical data. Eurostat reports a significant increase in short-term accommodation bookings via digital platforms across the European Union<sup>9,10</sup>. National statistical authorities in Spain, Italy and Germany confirm continued growth in tourism demand and accommodation usage, while tourism-related revenues remain a major economic factor in markets such as Greece.

A key structural driver of this development is the increasing importance of digital distribution channels. Platforms such as Airbnb and Booking.com have fundamentally changed the way accommodation is marketed and accessed, enabling decentralised and smaller-scale accommodation concepts to participate in the broader hospitality market. The use of such platforms may expose the Issuer to dependencies on third-party distribution channels and to regulatory developments affecting short-term rental markets.

Against this background, the Issuer's business model combines elements of project development, land ownership, unit sales and operational coordination and is positioned within the evolving structure of the European hospitality and accommodation market.

## **b. Structural Differentiation of Accommodation Models**

The accommodation market can broadly be divided into two structural categories, which differ significantly in terms of capital intensity, regulatory framework and development cycles.

Traditional real estate-based accommodation typically consists of permanently constructed buildings, including hotels, apartment complexes and holiday residences. These developments are characterised by long planning and construction cycles, high capital requirements, full exposure to building regulation and limited flexibility once constructed.

In contrast, modular and potentially mobile accommodation concepts are based on prefabricated or semi-mobile structures. These units may be deployed more flexibly, often involve shorter development timelines and typically require lower capital investment per unit. In addition, such concepts may operate within different regulatory frameworks depending on their classification and use.

In recent years, traditional construction-based accommodation models have faced increasing pressure due to rising construction costs, regulatory complexity and extended development timelines, as reflected in macroeconomic developments and industry data related to construction costs and permitting processes, while alternative formats have gained relevance as complementary or substitute solutions within the broader hospitality market.

Against this background, the Issuer operates within the segment of modular and potentially mobile accommodation concepts, representing a structurally differentiated segment within the overall accommodation market.

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<sup>9,10</sup> <sup>9</sup> Eurostat, Short-stay accommodation via collaborative platforms  
[https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Shortstay\\_accommodation\\_offered\\_via\\_collaborative\\_economy\\_platforms](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Shortstay_accommodation_offered_via_collaborative_economy_platforms)

<sup>10</sup> Eurostat Tourism Database  
<https://ec.europa.eu/eurostat/web/tourism/data/database>

### **c. Business Model and Value Chain**

The Issuer's business model is project-driven and transaction-based. It is designed to identify, develop and monetise individual projects rather than to rely primarily on the long-term holding of residential units.

At the same time, the Issuer retains ownership of the underlying land and infrastructure, thereby establishing a basis for recurring income streams. In addition, the Issuer or affiliated entities provide centralised operational and rental-related services, including marketing, booking management via third-party platforms and proprietary channels, as well as guest-related services.

This results in an integrated value chain combining site identification, project development, modular product procurement, sales to end investors and operational coordination.

Within this structure, the Issuer maintains control over the overall project environment, while individual units are typically sold to investors. Investors generally enter into land lease agreements with the Issuer and may participate in a centrally organised rental concept.

The legal structure is based on a separation of contractual relationships, typically including a purchase agreement for the unit, a land lease agreement and a separate agreement governing operational and rental services. These agreements are legally independent from each other and are intended to avoid the creation of a pooled investment structure.

### **d. Project Implementation Models**

The Issuer's activities are implemented through two principal project approaches, which may be applied individually or in combination depending on the specific project.

Under the product-driven development model, the Issuer procures or commissions modular housing units prior to their final sale. These units may be temporarily placed on designated or interim sites and marketed either as part of a defined location concept or as standalone units without permanent site binding. The Issuer may temporarily hold such units during the marketing phase but does not pursue a long-term strategy of holding residential units.

Under the site-driven development model, the Issuer initiates projects based on specific locations. This includes preliminary land agreements, planning assessments and the development of site concepts. Once sufficient economic viability has been established, the Issuer proceeds with land acquisition and infrastructure development, including utilities and access infrastructure.

### **e. Revenue Model**

The Issuer generates revenues from a hybrid structure combining transaction-based and recurring income streams.

Transaction-based revenues arise from the sale of modular units and project development margins and are typically dependent on successful project execution and investor demand.

Recurring revenues arise from land lease income, operational and service fees, as well as participation in rental-related revenues and platform-based income streams.

The economic model for investors involves the acquisition of a modular unit combined with financing and expected rental income generated through the operational concept. The Issuer may structure its participation in the economic performance of projects in a manner that differs from traditional hospitality models, including arrangements where a higher proportion of economic returns is allocated to the Issuer or its affiliates during certain phases of the project lifecycle. Such arrangements are defined in the respective contractual documentation and may vary depending on the specific project.

There can be no assurance that rental income will be sufficient to cover financing costs. Actual rental income may vary significantly depending on market conditions, utilisation rates and operational performance.

**f. Role of the Issuer and Operational Structure**

The Issuer acts as a project developer, structuring entity and coordinator of marketing and sales activities and cooperates with manufacturers, infrastructure providers, landowners and service providers.

While the Issuer does not primarily pursue a strategy of holding residential units, it retains ownership of land and infrastructure and may act, directly or through affiliated entities, as a central operator or service provider. The Issuer's activities involve active operational functions and are not limited to passive asset management.

The operational model combines external booking platforms and proprietary distribution channels, enabling both market access and operational coordination.

**g. Product Offering**

The Issuer's product offering consists of modular residential units as well as structured investment concepts combining unit acquisition, site allocation and integration into a broader project framework.

The specific structure of each offering may vary depending on the project and will be defined in the relevant transaction documentation.

**h. Regulatory Positioning**

The Issuer's business model is based on individual transactions and project development and does not constitute a collective investment scheme. In particular, investors do not participate in a pooled asset or joint management structure, and no pooling of investor funds takes place.

**i. Operational Dependencies**

The Issuer's activities depend on land availability, regulatory approvals, production and delivery of modular units, investor demand and successful project execution.

These factors may affect the timing, profitability and feasibility of individual projects and are further described in the risk section of this Base Prospectus.

These factors may affect the timing, profitability and feasibility of individual projects and are further described in the risk section of this Base Prospectus.

#### **IV. PRINCIPAL MARKETS**

The main markets within which the Issuer currently competes are the jurisdictions of the European Union.

#### **V. MATERIAL CONTRACTS**

##### *Arranger Agreements in respect of Issuance of notes by various issuers*

Pursuant to several agreements in place since 2015, the Issuer is appointed to act as arranger or sub-arranger in respect of the issuance of notes by various issuers. In terms of the said agreements, the Issuer is appointed to assist in the setting up of the transactions and to provide, amongst others, the following services respectively: (a) the provision of consultancy services in connection with the acquisition, holding and liquidation of assets; and (b) the co-ordination of all documentary and legal aspects of the issuance of notes. All agreements may be terminated, inter alia, by the delivery by either party thereto of one month's written notice.

The Issuer is acting as guarantor to a bond issued by E-Stream Energy GmbH & Co KG in an amount of up to EUR 8 million (plus interest and potential additional costs in connection with said bond) which has a maturity date of 15 November 2029.

## TAXATION

**Warning: The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Instruments. Prospective purchasers of Instruments are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Instruments, including the effect of any state or local taxes, under the tax laws applicable in the Republic of Austria, the Kingdom of Belgium, the Kingdom of Sweden, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the Federal Republic of Germany, the French Republic, Hungary, the Republic of Ireland, the Italian Republic, the Republic of Malta, the Netherlands, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain and each country of which they are resident.**

## SELLING RESTRICTIONS

### I. PUBLIC OFFER SELLING RESTRICTIONS UNDER THE PROSPECTUS REGULATION

In relation to each Member State of the European Economic Area other than a Public Offer Jurisdiction falling under the Prospectus Regulation (each, a **Relevant Member State**), and with effect from and including the date on which the Prospectus Regulation is applicable in that Relevant Member State (the **Relevant Date**) an offer of Instruments which are the subject of the offering contemplated by this Base Prospectus cannot be made to the public in that Relevant Member State except that, with effect from and including the Relevant Date, an offer of such Instruments to the public may be made in that Relevant Member State at any time:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Issuer; or
- (C) at any time in any other circumstances falling within Article 1 (4) of the Prospectus Regulation,

provided that no such offer of Instruments referred to in (a) to (c) above shall require the Issuer to publish a prospectus pursuant to Article 6 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- (D) the expression an offer of notes or participation certificates (as applicable) to the public in relation to any notes or participation certificates respectively in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure under the Prospectus Regulation in that Member State;
- (E) the expression Prospectus Regulation means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (and amendments thereto).

It should also be noted that the offering, sale and delivery of the Instruments and the distribution of this Base Prospectus are subject to legal restrictions in certain jurisdictions. The Issuer and the Distribution Agents invite persons who come into possession of this Base Prospectus to inform themselves about and comply with such restrictions.

### II. EUROPEAN ECONOMIC AREA

The Instruments have not been and will not be offered, sold or publicly promoted or advertised in the European Economic Area other than in compliance with the Prospectus Regulation (as amended).

### III. UNITED STATES OF AMERICA AND ITS TERRITORIES

The Instruments are not and will not be registered under the U.S. Securities Act of 1933, as amended. Accordingly, they will not be offered, sold or delivered, directly or indirectly, to the

public in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933 and, in particular, this Base Prospectus does not constitute and may not be distributed as a public offering or invitation to purchase Instruments in the United States

#### **IV. SWITZERLAND**

In case an offer of Instruments, if any, takes place into or within Switzerland, each of the Distribution Agents as mentioned in this Base Prospectus have represented and agreed that it will only offer or sell the Instruments in Switzerland in compliance with all applicable laws and regulations in force in Switzerland, and will, to the extent necessary, obtain any consent, approval or permission required, if any, for the offer or sale by it of Instruments under the laws and regulations in force in Switzerland. Only this Base Prospectus and any other information incorporated therein by reference and required to ensure compliance with the Swiss Code of Obligations and all other applicable laws and regulations of Switzerland (in particular, additional and updated corporate and financial information that shall be provided by the Issuer) may be used in the context of an offer to the public in or into Switzerland. Each of the Distribution Agents as mentioned in this Base Prospectus have agreed that all of such documents and information shall be furnished to any potential purchaser in Switzerland upon request in such manner and at such times as shall be required by the Swiss Code of Obligations and all other applicable laws and regulations of Switzerland.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published and filed with the FSA, shall be incorporated by reference in, and form part of, this Base Prospectus:

1. the Memorandum of Association of Timberland Securities Investment Ltd. dated 19 April 2016 as amended from time to time;  
the audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2024 to 31 December 2024 (which can be obtained under the following link:  
[https://ir.timberlandsecuritiesinvestmentplc.com/data/files/timberlandsecuritiesinvestmentsplcannualaccounts2024\\_audited\\_pdf.pdf](https://ir.timberlandsecuritiesinvestmentplc.com/data/files/timberlandsecuritiesinvestmentsplcannualaccounts2024_audited_pdf.pdf)  
as set out below:

Independent Auditor's Report	pages 4-6
Statement of profit or loss and other comprehensive income	page 7
Statement of Financial Position	page 8
Statement of Changes in Equity	page 8
Cash Flow Statement	page 9
Notes to the Financial Statements	pages 10-22; and

- the audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2025 to 31 December 2025 (which can be obtained under the following link  
[https://ir.timberlandsecuritiesinvestmentplc.com/data/files/timberlandsecuritiesinvestmentsplcannualaccounts2025\\_audited\\_pdf.pdf](https://ir.timberlandsecuritiesinvestmentplc.com/data/files/timberlandsecuritiesinvestmentsplcannualaccounts2025_audited_pdf.pdf)  
as set out below:

Independent Auditor's Report	pages 4-6
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Cash Flow Statement	page 9
Notes to the Financial Statements	pages 10-22.

## OFFER TO THE PUBLIC

The Issuer has requested or will request that the Swedish FSA provides to the competent authority in each of the Public Offer Jurisdictions a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation. Upon provision of such certificate, an offer of the Instruments may be made other than pursuant to Article 1 (4) of the Prospectus Regulation in the Public Offer Jurisdictions during the period set out in section 1 below. The Instruments may only be offered or sold in any jurisdictions (including, without limitation, the Public Offer Jurisdictions), in accordance with the requirements of the relevant securities laws and regulations applicable in such jurisdictions.

### I. OFFER PERIOD

The relevant offer period will be specified in the Final Terms. The Issuer reserves the right for any reason to close the offer period early. In addition, the Issuer reserves the right for any reason to close the offer period early. Subject to the Final Terms, the Issuer reserves the right for any reason to continue the offer period after expiry of the period of validity of the Base Prospectus under a succeeding base prospectus.

Notice will be made to investors by means of a notice published on the website of the Issuer (<https://timberlandsecuritiesinvestmentplc.com>). The Issuer will also regularly inform Instrument Holders during the offer period about the number of Instruments sold during such offer period to investors by publishing the relevant information on the website of the Issuer (<https://timberlandsecuritiesinvestmentplc.com>) or any successor website thereof. The Issuer will notify the Swedish FSA of the result of the offering of the Instruments at the end of the offer period.

### II. SUBSCRIPTION PERIOD

The Instruments will be offered during a subscription period as specified in the Final Terms. Subject to applicable Final Terms, after expiration of the subscription period, the offer period may be continued after expiry. In this case, a respective offer may be made without engagement.

### III. PUBLICATION OF AN OFFER TO THE PUBLIC

The offer of the Instruments will be made through different communication channels including public announcements (national daily newspaper (such as, but not limited to, a national daily newspaper which is located in the respective public offer jurisdiction where a public offering shall be made), advertisements, mailing of quarterly reports or newsletters to existing or future investors, marketing activities in connection with coordinated advertising brochures and other printed matter.

### IV. CONDITIONS TO THE OFFER

In case not specified otherwise in this section "*Offer to the Public*" (sub-paragraph VII. and sub-paragraph IX.) and the relevant Final Terms, no conditions to the relevant offer apply.

### V. METHOD OF CALCULATING THE YIELD

An indication of the yield in respect of the Instruments will be specified in the applicable Final Terms. The yield indicated will be calculated as the yield to maturity as at the issue date of the Instruments (without taking into consideration that distributions must not be paid according to the Terms and Conditions) and will not be an indication of future yield.

## **VI. DESCRIPTION OF THE APPLICATION PROCESS**

Applications for the purchase of Instruments can be made to the Issuer with a copy to the Distribution Agent(s) at its/their address(es) as set out in section "*Description of the Parties*". Amendments to the offer period and the application process, if any, will be notified to investors by means of a notice published on the website of the Issuer (<https://timberlandsecuritiesinvestmentplc.com>) or any successor website.

## **VII. MINIMUM/MAXIMUM AMOUNT OF APPLICATION**

Subject to applicable Final Terms and further specification, there is no minimum allocation of Instruments per investor. The maximum allocation of Instruments will be subject only to availability at the time of the application. Also subject to further specification, there are no pre-identified allotment criteria. The Issuer will adopt allotment criteria that ensure equal treatment of prospective investors and the Issuer or the Distribution Agent(s) will notify each applicant of the amount of Instruments allotted. All the Instruments requested will be assigned up to the maximum amount of the offer.

## **VIII. METHOD FOR PAYING UP AND DELIVERING THE INSTRUMENTS**

The Instruments will be, as the case may be and subject to further determination in the relevant Final Terms, either sold against payment of the issue price to the Issuer or to any agent designated by the Issuer as described under section "*Selling Restrictions*" of this Base Prospectus or free of payment. Each investor will be notified of the settlement arrangements in respect of the Instruments at the time of such investor's application.

## **IX. POSSIBILITY TO REDUCE SUBSCRIPTIONS AND MANNER FOR REFUNDING EXCESS AMOUNT**

In case not specified otherwise in the relevant Final Terms, it is not possible to reduce subscriptions.

## **X. MANNER AND DATE IN WHICH RESULTS OF THE OFFER ARE TO BE MADE PUBLIC**

In case not specified otherwise in the relevant Final Terms, the Issuer will inform the Instrument Holders during the offer period about the number of Instruments sold during such offer period to investors by publishing the relevant information on the website of the Issuer (<https://timberlandsecuritiesinvestmentplc.com>) or any successor website(s).

## **XI. PROCESS FOR NOTIFYING APPLICANTS OF THE AMOUNT ALLOTTED**

Information in relation to the process for notifying applicants of the amount allotted will be set out in the applicable Final Terms. Subject to the relevant Final Terms, the Issuer reserves the right to arrange for a trading on terms of issue.

## **XII. INDICATION WHETHER DEALING MAY BEGIN BEFORE NOTIFICATION IS MADE**

Subject to the relevant Final Terms, the Issuer reserves the right to arrange for a trading on terms of issue.

### **XIII. CATEGORIES OF POTENTIAL INVESTORS**

In general, offers of Instruments may be made in each of the Public Offer Jurisdictions (as specified in the Final Terms) to any person and all categories of potential.

### **XIV. DISTRIBUTION AGENTS**

The Issuer has authorised the making of a public offer of the Notes by Timberland Invest Ltd., Timberland Capital Management GmbH, and any of its Tied Agents, as applicable, (each a **Distribution Agent** and collectively, the **Distribution Agents**) in the Public Offer Jurisdictions during the offer period and the Issuer has consented to the use of this Base Prospectus by any other person authorised by the Distribution Agents in connection with any public offer of Instruments (under which the offer of the Instruments takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Instruments to the extent and the conditions as set out in the Base Prospectus and the Final Terms during the term of its validity in accordance with Article 12 of the Prospectus Regulation.

### **XV. LIST OF JURISDICTIONS IN WHICH NON-EXEMPT OFFERS MAY BE MADE**

Non-exempt offers may be made in the Kingdom of Sweden, the Republic of Austria, the Kingdom of Belgium, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the Federal Republic of Germany, the French Republic, Hungary, the Italian Republic, the Republic of Malta, the Netherlands, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia and the Kingdom of Spain.

### **XVI. USE OF PROCEEDS**

Save for the Issuer's entitlement that the Issuer is free to use the proceeds at its own discretion and as the Issuer wishes (including of the general funding of the Issuer).

The reasons for the offer and use of proceeds of a specific issue of an instrument will be described in detail in the relevant Final Terms of such instrument.

### **XVII. MATERIAL INTERESTS**

Unless otherwise specified in the Final Terms, the persons involved in an issue of Instruments have no interests which are material to the relevant offer.

## GENERAL INFORMATION

### I. AUTHORISATION

The issue of the Instruments was duly authorised by the resolution of the board of directors of the Issuer during a meeting held on 02 April 2026.

### II. DOCUMENTS AVAILABLE

During the life span of this Base Prospectus physical copies of the following documents may be inspected during usual business hours at the registered office of the Issuer and on the website of the Issuer (<https://timberlandsecuritiesinvestmentplc.com> or any successor or replacement address thereto):

- (a) the Memorandum of Association of Timberland Securities Investment plc. dated 19 April 2016 as amended from time to time;
- (b) audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2024 to 31 December 2024; and
- (c) audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2025 to 31 December 2025; and
- (d) any future financial statements of the Issuer.

### III. FORWARD-LOOKING STATEMENTS

This Base Prospectus contains forward-looking statements. Forward-looking statements are all statements that do not relate to historical or current facts and events. This also applies to statements in the "Risk Factors" and "Business Review and Prospects" sections and wherever the Base Prospectus contains information about the Issuer's future financial performance, plans and expectations regarding the Issuer's business, growth and profitability and the economic environment to which the Issuer is exposed. The forward-looking statements are based on the current assessment made by the Issuer to the best of its knowledge. Such forward-looking statements are based on assumptions and factors and are therefore subject to risks and uncertainties. Therefore, it is important to read in particular the sections "Risk Factors", "Business Review" and "Business Review and Prospects" which contain a detailed description of factors that may affect the business development of the Issuer and the industry in which the Issuer operates.

The forward-looking statements are based on the Issuer's current plans, estimates, forecasts and expectations and on certain assumptions which, although the Issuer believes that they are reasonable at this time, may subsequently prove to be incorrect. Many factors may cause the actual performance or earnings or performance of the Issuer to be materially different from any future performance or performance expressed or implied by such forward-looking statements.

These factors include, among others:

- changes in general economic, business or legal conditions,
- political or regulatory changes,
- changes in the Issuer's competitive environment,
- other factors discussed in more detail in the section "Risk Factors", and

- factors that are not known to the Issuer at the present time.

If, as a result of these factors, risks or uncertainties arise in individual or several cases, or if assumptions made by the Issuer prove to be incorrect, it cannot be excluded that actual results may differ materially from those described in this Base Prospectus as assumed, believed, estimated or expected. For this reason, the Issuer may be prevented from achieving its financial and strategic objectives.

The Issuer does not intend to go beyond its legal obligation to update such forward-looking statements or to conform them to future events or developments.

Pursuant to applicable laws, the Issuer is obliged to prepare and publish a supplement to this Base Prospectus if important new circumstances arise or material inaccuracies in the information contained in this Base Prospectus become known which could influence the assessment of the Issuer's shares and which occur or are determined after the approval of this Base Prospectus and before the final closing of the public offering

#### **IV. REFERENCE TO SOURCES OF MARKET INFORMATION AND TECHNICAL TERMS**

The Issuer has not verified information contained in this Base Prospectus from third-party studies on the market environment, market developments, growth rates, market trends and the competitive situation. The Issuer has accurately reproduced this information from third parties and, to the Issuer's knowledge and as far as it could infer from the published information, no facts have been misappropriated which would render the reproduced information incorrect or misleading.

Furthermore, information on the market environment, market developments, growth rates, market trends and the competitive situation in the areas in which the Issuer is active is based on estimates made by the Issuer. Information derived therefrom which has not been obtained from independent sources may therefore differ from the estimates of the Issuer's competitors or from future surveys by independent sources.

#### **V. NOTE ON FINANCIAL AND NUMERICAL DATA**

The financial data contained in this Base Prospectus (including such incorporated by reference), which are the subject of the Issuer's financial statements, are primarily derived from the Issuer's annual financial statements as of 31 December 2025 as well as of 31 December 2024.

This Base Prospectus contains currency information in Euro. Currency information in euros was indicated with "EUR", and currency information in thousand euros was indicated with "TEUR" before the amount and abbreviated. Individual figures (including percentages) in this Base Prospectus have been rounded according to commercial practice. In tables, such commercially rounded figures may not add up exactly to the totals contained in the table.

#### **VI. POST-ISSUANCE TRANSACTION INFORMATION**

Save for the specific Final Terms, the Issuer does not intend to provide any post-issuance transaction information in relation to the issue of the Instruments, except if required by any applicable laws and regulations.

#### **VII. ISSUER'S WEBSITE**

The website of the Issuer is "<https://timberlandsecuritiesinvestmentplc.com>". The information on such website neither form part of this Base Prospectus, except where that information has

been incorporated by reference into this Base Prospectus. In addition, the Swedish FSA has not reviewed or approved information in the latter sense.

#### **VIII. SUPPLEMENTS TO THE BASE PROSPECTUS**

This Base Prospectus will be effective for 12 months from its approval. If this Base Prospectus is updated at a later pursuant to the provisions of the Prospectus Regulation, this Base Prospectus will from the date of publication of the relevant supplement be deemed to apply as amended. The supplements will become parts of this Base Prospectus. The supplements will be published and made available in the same manner as this Base Prospectus.

#### **IX. SUCCESSOR BASE PROSPECTUS**

When the Base Prospectus ceases to be effective, the offer may be continued in accordance with the relevant Final Terms and on the basis of a successor base prospectus (each such prospectus which serve for the purpose of the continuation of an offer a **Successor Base Prospectus**). Successor Base Prospective means the most current applicable base prospectus, specifying the Instruments to be included in the continued public offering and incorporating by reference those parts of the relevant preceding base prospectus (including this Base Prospectus) which are required for the relevant continuation of an offer). Publication of a Successor Prospectus shall be made in accordance with the details set out in the relevant Final Terms.

In the event of a public offering being continued under a Successor Base Prospectus, the relevant Final Terms, including the relevant summary, if any, shall be read in conjunction with the Successor Base Prospectus, which means that, in such case, each reference to the Base Prospectus made in the relevant Final Terms shall be deemed to constitute a reference to the relevant Successor Base Prospectus, with the exception of the security-specific terms and conditions of the relevant issue which will continue to be governed by the Original Base Prospectus. **Original Base Prospectus** means the base prospectus under which the relevant Instruments have been issued initially.

Signed on behalf of Timberland Securities Investment plc:

By: Mr Thomas Kraemer

Duly authorised