

## Final Terms

dated 10.07.2017

### TIMBERLAND SECURITIES INVESTMENT PLC

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

Issue of Series 5 Contingent Capital Fixed Rate Bearer Notes

**(the Securities)**

Issue Date: 18 July 2017

Series Number: 05/2017 (2017-2021) - E7 Systems-Timberland Finance Jubilee Notes

*These final terms (the **Final Terms**) have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC, as amended (the **Prospectus Directive**). 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 10 July 2017 for the issuance of Series 5 Contingent Capital Fixed Rate Bearer Notes, Series 6 Contingent Capital Fixed Rate Registered Notes, Series 7 Fixed Rate Bearer Notes and Series 8 Fixed Rate Registered Notes (the **Base Prospectus**), (b) any supplements to this Base Prospectus (the **Supplements**), and (c) all other documents whose information is incorporated herein by reference. The Final Terms consist of three parts: Part I – General Information; Part II – Terms and Conditions of the Securities; and Part III – Noteholder Meeting Provisions. A summary of the individual issue of the Notes is annexed to these Final Terms.*

The above-mentioned Base Prospectus dated 10 July 2017, under which the securities described in these Final Terms are issued, will cease to be valid on 09 July 2018. From and including this date, these Final Terms must be read in conjunction with the latest valid version of the Base Prospectus for the issuance of Series 5 Contingent Capital Fixed Rate Bearer Notes (Series Number: 05/2017 (2017-2021) - E7 Systems-Timberland Jubilee Notes) which succeeds the Base Prospectus dated 10 July 2017. The latest valid version of the Base Prospectus for the issuance of Series 5 Contingent Capital Fixed Rate Bearer Notes (Series Number: 05/2017 (2017-2021) - E7 Systems-Timberland Jubilee Notes) of Timberland Securities Investment plc is published on the website of Timberland Securities Investment plc ([www.timberland-investment.com](http://www.timberland-investment.com)). Investors can access the latest valid version of the Base Prospectus by selecting "Investments" in the centre of this website.

Investors who have already agreed to purchase or subscribe for securities during the validity period of the aforementioned Base Prospectus have the right, exercisable within a time limit of two working days after the publication of the succeeding base prospectus, to withdraw their acceptances, provided that the securities have not already been delivered to them.

*The Base Prospectus, any Supplements and these Final Terms are available at the office of the Issuer and in addition in printed version free of charge at Timberland Invest Ltd., Aragon House, St. George`s Park, St. Julian`s STJ 3140, Malta and Timberland Capital Management GmbH, Huettenallee 137, 47800 Krefeld, Germany, and in addition on the website [www.timberland-malta.com](http://www.timberland-malta.com) or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer.*

*The Base Prospectus will no longer be valid on 9 July 2018. From that date onwards, the Final Terms are to be read together with the latest valid version of the Base Prospectus for the issuance of Series 5 Contingent Capital Fixed Rate Bearer Notes, Series 6 Contingent Capital Fixed Rate Registered Notes, Series 7 Fixed Rate Bearer Notes and Series 8 Fixed Rate Registered Notes succeeding the Base Prospectus. This particularly*

*applies to section "Description of the Parties". The latest valid version of the Base Prospectus is available at the office of the Issuer and in addition in printed version free of charge at Timberland Invest Ltd., Aragon House, St. George`s Park, St. Julian`s STJ 3140, Malta and Timberland Capital Management GmbH, Huettentallee 137, 47800 Krefeld, Germany and in addition on the website [www.timberland-investment.com](http://www.timberland-investment.com) or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. No non-exempt offer of the Securities under these Final Terms will be made unless there is a valid version of the Base Prospectus.*

## Part I – General Information

ISIN:	XS1649890388
Other security identification code:	WKN TS5C4B
Aggregate principal amount:	The aggregate principal amount of Notes to be offered for subscription will be of a maximum of EUR 20,000,000
Subscription price:	EUR 1,000
Selling commission:	Up to 5 % of the Nominal Amount
Other commissions:	None
Expenses and taxes specifically charged to the subscriber or purchaser:	None
Use of proceeds:	See the subsection "Use of Proceeds" in the Base Prospectus.
Net proceeds:	Up to EUR 20,000,000
Estimated total expenses:	Estimated total expenses in respect of the aggregate maximum amount of € 20,000,000 to be offered under these Final Terms will amount to approximately up to EUR 3,000,000 and will be borne by the Issuer.
Indication of yield:	6.85 per cent. per annum
Material interests, including conflicting ones, of natural and legal persons involved in the issue/offer:	Safe for the Distributors' entitlement to fees payable in connection with the offer of Notes, so far as the Issuer is aware, no person involved in the offer of the Notes has any other interest that is material to the offer.
Jurisdictions, in which non-exempt offer may take place:	Non-exempt offers may be made in the Republic of Austria, and the Federal Republic of Germany, and the Republic of Ireland, and the Principality of Liechtenstein, and the Grand Duchy of Luxembourg, and the United Kingdom of Great Britain and Northern Ireland.
Conditions, to which the offer is subject:	Not applicable
Underwriting:	The Securities will be underwritten under best efforts arrangements by the following Distributors: Timberland Invest Ltd., 171, Old Bakery Street, Valletta VLT 1455, Malta and Timberland Capital Management GmbH, Huettenallee 137, 47800 Krefeld, Germany and the agents appointed by the

	Distribution Agents for this purpose. 100 per cent. of the issue is not underwritten.
Minimum amount of application:	EUR 1,000
Maximum amount of application:	EUR 20,000,000
Manner and date in which results of the offer are to be made public:	The results of the offer are to be made public 10 working days after closing of subscription.
Method and time limits for paying up the Securities and for delivery of the Securities:	The delivery of the Securities shall be against payment.  The appropriate number of Securities shall be credited to the Noteholder's account in accordance with the rules of the corresponding Clearing System.
Admission to trading:	Not applicable. However, application will be made to list the Securities on the Open Market ( <i>Freiverkehr</i> ) of the Frankfurt Stock Exchange and the Open Market ( <i>Freiverkehr</i> ) of the Munich Stock Exchange, which are not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments. For the avoidance of doubt “and” means in regard to admission to trading of Notes one or more not regulated market(s).
Offer period during which subsequent resale or final placement of the Securities can be made:	The Securities will be continuously offered. The Issuer intends to continue the Subscription Period for the Securities after expiry of the period of validity of the Base Prospectus under the successor Base Prospectus.  The Issuer reserves the right to continue the public offer subject to the filing of new Final Terms for the Securities under a Base Prospectus with a longer period of validity.
Consent to the use of the Base Prospectus:	The Issuer consents to the use of the Base Prospectus (under which the offer of the Securities takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Securities 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 Securities by the financial intermediaries is given in relation to the Republic of Austria, and the Federal Republic of Germany, and the Republic of Ireland, and the Principality of Liechtenstein, and the Grand Duchy of Luxembourg, and the United Kingdom of Great Britain and Northern Ireland.

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:

[www.timberland-investment.com](http://www.timberland-investment.com) (or any successor or replacement address thereto, in which case an automatic redirection will be ensured by the Issuer).

Clearing System, Custody:

Clearstream, Euroclear

## Part II – Terms and Conditions of the Securities

### Option V – Terms and Conditions of the Series 5 Contingent Capital Fixed Rate Bearer Notes

#### 1. CURRENCY, DENOMINATION, FORM, CLEARING SYSTEM

##### 1.1 Currency, Denomination

This tranche (the **Tranche**) of subordinated series 5 contingent capital fixed rate notes (the **Notes**) is being issued by Timberland Securities Investment plc (the **Issuer**) in Euro (**EUR**) (the **Specified Currency**) in the aggregate principal amount of 20,000,000 (in words: Euro twenty million) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination**).

##### 1.2 Form

The Notes are being issued in bearer form.

##### 1.3 Global Notes

- (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**) 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 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 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 40th 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.

For purposes of these Terms and Conditions, **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).

##### 1.4 Clearing system

The Global Notes will be kept in custody by or on behalf of a Clearing System until, in case of the Permanent Global Note, all obligations of the Issuer under the Notes have been satisfied. **Clearing System** means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, LUX-1855 Luxembourg, Grand Duchy of Luxembourg (**Clearstream**) and Euroclear Bank SA/NV, 1

Boulevard du Roi Albert II, B- 1210 Brussels, Belgium (**Euroclear** and, together with Clearstream, the **ICSDs**). The Notes shall be kept in custody by a common depositary on behalf of both ICSDs.

## 2. STATUS

### 2.1 Ranking

The Notes constitute direct, unsecured and subordinated obligations of the Issuer, and Tier 2 Instruments.

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; 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 Current Principal Amount, and the payment of Distributions, applying mutadis mutandis in accordance with section 19 (2) sentence 2 of the German Insolvency Code (*Insolvenzordnung*, InsO) 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 (1) nos. 1 to 5 InsO, i.e. at the ranking position stipulated in section 39 (2) InsO. The parties do not agree a waiver of the claim.
  - (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 (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) within applying mutadis mutandis the meaning of German insolvency law.
  - (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 (*Gläubigersamtheit*) applying mutadis mutandis within the meaning of section 328 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*). 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.
- (b) *pari passu* (a) among themselves, and (b) with all present or future obligations under any other Tier 2 Instruments; and
- (c) senior to all present or future (a) obligations under any AT 1 Instruments; and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank (x) subordinated to the obligations of the Issuer under the Notes or (y) *pari passu* with obligations under any AT 1 Instruments.

## 2.2 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, and no contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by 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 this Clause 2.2.

## 2.3 Tier 2 Instruments and AT 1 Instruments

**Tier 2 Instruments** means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR) as Tier 2 Instruments pursuant to Article 63 of the CRR, including any capital instruments that qualify as Tier 2 Instruments pursuant to transitional provisions under the CRR.

**AT 1 Instruments** means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR) as Additional Tier 1 instruments pursuant to Article 52 of the CRR, including any capital instruments that qualify as Additional Tier 1 instruments pursuant to transitional provisions under the CRR.

**CRR** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended from time to time.

## 3. DISTRIBUTIONS

### 3.1 Distribution Rate and Distribution Payment Dates

The Notes shall bear distributions on their Principal Amount at the rate of 6.85 per cent. per annum (the **Rate of Distributions**) from and including 18<sup>th</sup> of July 2017 (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid quarterly in arrear on 15 February, 15 May, 15 August and 15 November in each year (each such date, a **Distribution Payment Date**), commencing on 15 August 2017. Distributions will fall due in accordance with the provisions set out in Clause 4.5.

### 3.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the Rate of Distributions 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.

**Day Count Fraction** means, in respect of the calculation of an amount of distributions on any Note for any period of time (the **Calculation Period**) the actual number of days in the Calculation Period divided by 365 (act/365).

**Principal Amount** means the Specified Denomination.

### 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 Distributions**

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. The **Applicable Exchange Rate** shall be (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.

##### **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, Noteholder 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.

**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 the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**) is open for business.

**Business Day Financial Centre** means any day when banks are open for business in Frankfurt, Germany and Luxembourg, Grand Duchy of Luxembourg.

#### 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 Specified Denomination, the Principal Amount, the Call 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 Maturity Date

Unless previously redeemed, or cancelled, the Notes will be redeemed at their Current Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on 31 March 2021 (the **Maturity Date**).

#### 5.2 No Redemption at the Option of a Noteholder

The Noteholders do not have a right to demand the redemption of the Notes.

#### 5.3 Redemption at the Option of the Issuer

- (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. Any such redemption pursuant to this subsection Clause 5.3 shall not be possible before 6 months after the date of issuance and shall only be possible provided that the redemption conditions laid down in Clause 5.6 are met.

**Call Redemption Date** means the Distribution Commencement Date and each anniversary date thereof.

- (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;
  - (ii) the Call Redemption Date which shall be not less than 5 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.

**Call Redemption Amount** equals the Current Principal Amount.

- (c) Redemption under this Clause 5.3 shall be excluded if the Call Redemption Amount would be less than the Specified Denomination.

#### 5.4 Redemption for Reasons of Taxation

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time by giving not less than 5 nor more than 90 Payment Business Days prior notice of redemption to the Fiscal Agent and, in accordance with Clause 10, to the Noteholders (which notice shall be irrevocable), if there is a change in the applicable tax treatment of the Notes, including without limitation, a Tax Deductibility Event, or a Gross-up Event, which is material and was not reasonably foreseeable at the time of the issuance of the Notes, and which the Issuer, in accordance with and subject to Article 78(4) of the CRR, if so required, demonstrates to the satisfaction of the Competent Authority, provided that the redemption conditions laid down in Clause 5.6 are met.

**Competent Authority** means the Malta Financial Services Authority and any authority that succeeds into its relevant function, if the Issuer will be subject to its supervision and CRR.

**Distributable Items** means reserves and carried forward profits.

**Gross-up Event** occurs if there is a change in the applicable tax treatment of the Notes based on a decision of the local tax authority having competence over the Issuer as a result of which the Issuer has paid, or will or would on the next Distribution Payment Date be required to pay, any Additional Amounts, provided however that any such Additional Amounts are only payable if and to the extent they: (i) would not exceed the Distributable Items; and (ii) only relate to withholding tax applicable to distributions by or on behalf of the Issuer.

**Tax Deductibility Event** occurs if there is a change in the applicable tax treatment of the Notes as a result of which the Issuer would not be entitled to claim a deduction in respect of distributions paid on the Notes in computing its taxation liabilities, or such deductibility is materially reduced.

#### 5.5 Redemption for Regulatory Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time by giving not less than 5 nor more than 90 Payment Business Days prior notice of redemption to the Fiscal Agent and, in accordance with Clause 10, to the Noteholders (which notice shall be irrevocable), if there is a change in the regulatory classification of the Notes that would be likely to result in their full or partial exclusion from own funds or reclassification as a lower quality form of own funds, if applicable, and provided that the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain; (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance; and (iii) the redemption conditions laid down in Clause 5.6 are met.

#### 5.6 Redemption Conditions

Any redemption pursuant to this Clause 5 requires that the Competent Authority has granted the Issuer the prior permission in accordance with Article 78 para 1 of the CRR for the redemption, if applicable, whereas such permission may, inter alia, require that:

- (a) earlier than or at the same time as the redemption, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would, following the redemption, exceed the requirements laid down in Article

92(1) of the CRR and the combined buffer requirement as defined in point (6) of Article 128 of the CRD IV by a margin that the Competent Authority may consider necessary on the basis of Article 104(3) of the CRD IV.

For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with Article 78 para 1 of the CRR shall not constitute a default for any purpose.

**CRD IV** means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (*Capital Requirements Directive IV*), as amended from time to time.

## 5.7 Redemption Amount

In case of a redemption pursuant to Clause 5.4 or Clause 5.5, the Notes will be redeemed at their Current Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption.

**Current Principal Amount** means initially the Specified Denomination, which from time to time - on one or more occasions - may be reduced by a Write-down and, subsequent to any such reduction, may be increased by a Write-up, if any (up to the Specified Denomination).

## 6. LOSS SHARING

### 6.1 Write-down

If the Issuer incurs an Annual Balance Sheet Loss as calculated in accordance with Maltese GAAP or IFRS, as applicable, in any fiscal year (*Geschäftsjahr*), the Noteholder shares in such loss (excluding any loss carry forwards from previous fiscal years of the Issuer) in the proportion which their Current Principal Amount (as reduced and/or written up in previous fiscal years of the Issuer) bears in relation to the aggregate book value of all going concern loss sharing components of the Issuer's regulatory liable capital (each of them as reduced and/or written up in previous fiscal years of the Issuer), and the Current Principle Amount shall be written down accordingly. For the purpose of such calculation, the Issuer's loss sharing liable capital shall include any and all outstanding CET 1 and AT 1 Instruments and Similar Instruments. Following an Annual Balance Sheet Loss, there will be a corresponding reduction in the nominal amount of the Current Principal Amount equivalent to the amount of the Noteholder's share in such Annual Balance Sheet Loss. The Noteholder's aggregate share in an Annual Balance Sheet Losses cannot exceed the Current Principal Amount (as reduced and/or written up in previous fiscal years).

**Annual Balance Sheet Loss** means the net loss for the fiscal year of the Issuer on an individual basis recorded in the Relevant Financial Statements.

**CET 1 Instruments** means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR) as Common Equity Tier 1 instruments pursuant to Article 28 of the CRR, including any capital instruments that qualify as Common Equity Tier 1 instruments pursuant to transitional provisions under the CRR.

**Relevant Financial Statements** means annual accounts for the relevant end of each business year audited by an audit firm and approved by the board of directors.

**Similar Instruments** means any (directly or indirectly issued) debt instrument of the Issuer pursuant (other than the Notes) of the Issuer that provides for a write-down mechanism (permanent or temporary).

## 6.2 Write-up

Following a reduction, the Current Principal Amount will be written up in subsequent fiscal years of the Issuer in which Annual Balance Sheet Profit is recorded in accordance with Maltese GAAP or IFRS, as applicable. The Current Principal Amount will be written-up prior to the writing-up of AT 1 Instruments. A writing-up of shareholders' equity and allocation to reserves may only occur after the Current Principal Amount has been fully written-up again to its initial Principal Amount. No such increase of the Current Principal Amount may result in the Current Principal Amount being more than the Specified Denomination.

**Annual Balance Sheet Profits** means net profits for the fiscal year of the Issuer on an individual basis recorded in the Relevant Financial Statements.

## 7. FISCAL AGENT AND PRINCIPAL PAYING AGENT

### 7.1 Appointment; Specified Offices

The initial Fiscal Agent, and the initial Principal Paying Agent 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:**

Citibank, N.A., London Branch  
Citigroup Centre, Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

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.

### 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 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 authorities. 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.

### **7.3 Agents of the Issuer**

The Fiscal Agent, and the Paying Agent 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 Agents, and the Noteholders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents, 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 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 day of the period of 30 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 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.

**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.

## **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, PURCHASES 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 and provided that the redemption conditions laid down in Clause 5.6 are met.

### **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 published in the Times of Malta or any successor newspaper which the Issuer publishes in the Times of Malta and in electronic form on the website of the Issuer ([www.timberland-investment.com](http://www.timberland-investment.com)). Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication) unless the notice provides for a later effective date.

### 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 5<sup>th</sup> 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 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.

**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 and includes the Clearing System.

## 11. MEETINGS OF NOTEHOLDERS

Articles 86 - 94-8 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 Noteholder, if no payment of principal of any of the Bearer Notes is in default, to substitute for the Issuer another Issuer (the **Substitute Debtor**) as principle debtor under all Bearer Notes of one or more series of Notes in respect of any and all obligations arising from and in connection with the Bearer Notes of one or more series of Notes, provided that:

- (a) the Substitute Debtor is solvent and can perform all obligations under and in connection with the Bearer Notes, where the Substitute Debtor substitutes the Issuer;
- (b) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Debtor;



- (c) the Substitute Debtor has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Bearer Notes) from one or more competent authorities;
- (d) in case the substitution of the Substitute Debtor for the Issuer does result in additional tax, duty or governmental charge being directly imposed on the Bearer Noteholders the Substitute Debtor undertakes to reimburse any Bearer Noteholders for such additional tax, duty or governmental charge which may be imposed upon such Bearer Noteholders in connection with any payments on the Bearer Notes, provided that such undertaking shall be limited to amounts that would not have been imposed upon the Bearer Noteholders had such substitution not occurred.

Notice of any such substitution shall be given to the Bearer Noteholders in accordance with Condition 10.

The Issuer will not guarantee the obligations of the Substitute Debtor under the Bearer Notes after the substitution. The Bearer Noteholders, by subscribing for, or otherwise acquiring, the Bearer Notes, are deemed to have (i) consented to any substitution of the Issuer effected in accordance with this Condition 12 and to the release of the Issuer from any and all obligations in respect of the relevant Bearer Notes and these presents; and (ii) accepted such substitution and the consequences thereof.

After the substitution of the Issuer by a Substitute Debtor this Condition 12 shall apply again.

In the event of such a substitution, every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Debtor.

## **13. APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT**

### **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 the provisions of paragraph 2.1 (*Ranking*) and paragraph 11 (*Meetings of Noteholders*) which shall be subject to the laws of Malta.

### **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 Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with paragraph 2.1 (*Ranking*) and paragraph 11 (*Meetings of Noteholders*).

### **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.

#### 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.

**Annual Balance Sheet Loss** has the meaning assigned to it in Clause 6.1.

**Annual Balance Sheet Profit** has the meaning assigned to it in Clause 6.2.

**Applicable Exchange Rate** has the meaning assigned to it in Clause 4.3.

**AT 1 Instruments** has the meaning assigned to it in Clause 2.3.

**Business Day Financial Centre** has the meaning assigned to it in Clause 4.5.

**Calculation Period** has the meaning assigned to it in Clause 3.2.

**Call Redemption Amount** has the meaning assigned to it in Clause 5.3(b).

**Call Redemption Date** has the meaning assigned to it in Clause 5.3(a).

**CET 1 Instruments** has the meaning assigned to it in Clause 6.1.

**Clearing System** has the meaning assigned to it in Clause 1.4.

**Clearstream** has the meaning assigned to it in Clause 1.4.

**Code** has the meaning assigned to it in Clause 8.2.

**Competent Authority** has the meaning assigned to it in Clause 5.4.

**CRD IV** has the meaning assigned to it in Clause 5.6.

**CRR** has the meaning assigned to it in Clause 2.3.

**Current Principal Amount** has the meaning assigned to it in Clause 5.7.

**Custodian** has the meaning assigned to it in Clause 10.3.

**Day Count Fraction** has the meaning assigned to it in Clause 3.2.

**Distributable Items** has the meaning assigned to it in Clause 5.4.

**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.

**Euroclear** has the meaning assigned to it in Clause 1.4.

**Exchange Date** has the meaning assigned to it in Clause 1.3.

**FATCA** has the meaning assigned to it in Clause 8.2.

**Global Notes** has the meaning assigned to it in Clause 1.3.

**Gross-up Event** has the meaning assigned to it in Clause 5.4.

**ICSDs** has the meaning assigned to it in Clause 1.4.

**Issuer** has the meaning assigned to it in Clause 1.1.

**Maturity Date** has the meaning assigned to it in Clause 5.1.

**Notes** has the meaning assigned to it in Clause 1.1.

**Paying Agent(s)** has the meaning assigned to it in Clause 7.1.

**Payment Business Day** has the meaning assigned to it in Clause 4.5.

**Permanent Global Note** has the meaning assigned to it in Clause 1.3.

**Principal Amount** has the meaning assigned to it in Clause 3.2.

**Proceedings** has the meaning assigned to it in Clause 12.2.

**Rate of Distributions** has the meaning assigned to it in Clause 3.1.

**Relevant Date** has the meaning assigned to it in Clause 8.1.

**Relevant Financial Statements** has the meaning assigned to it in Clause 6.1.

**Similar Instruments** has the meaning assigned to it in Clause 6.1.

**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 Debtor** has the meaning assigned in Clause 12.

**Successor Currency** has the meaning assigned to it in Clause 4.3.

**Tax Deductibility Event** has the meaning assigned to it in Clause 5.4.

**Temporary Global Note** has the meaning assigned to it in Clause 1.3.

**Tier 2 Instruments** has the meaning assigned to it in Clause 2.3.

**Tranche** has the meaning assigned to it in Clause 1.1.

**United States** or **U.S.** has the meaning assigned to it in Clause 1.3.

**Withholding Taxes** has the meaning assigned to it in Clause 8.1.

**Write-down** has the meaning assigned to it in Clause 6.1.

**Write-up** has the meaning assigned to it in Clause 6.2.

### Part III – Noteholder Meeting Provisions

#### 1. DEFINITIONS

As used herein, the following expressions have the following meanings unless the context otherwise requires:

**voting certificate** means an English 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 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;

a **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 Paying 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 Paying 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 bearer Notes 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 The following persons (each an **Eligible Person**) are entitled to attend and vote at a meeting of the holders of Notes:

- (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.

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.

### **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 Paying 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 in the relevant terms and conditions of the Notes. The notice, which shall be in the English 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 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 Paying 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.
- Without prejudice to the obligations of the proxies named in any block voting instruction, any 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.
- 4.6 The proxies named in any block voting instruction need not be Noteholders.
- 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 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 (as defined in the terms and conditions of the Notes) set out in the terms and conditions of the Notes.
- 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.
- 4.9 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.

## ISSUE SPECIFIC SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of 'not applicable'.

### Section A – Introduction and warnings

Element	Title	
A.1	<b>Warnings that the summary should be read as an introduction and provision as to claims</b>	<p>This summary should be read as an introduction to this Prospectus.</p> <p>Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	<b>Consent as to use of the Base Prospectus, period of validity and other attached conditions</b>	<p>Timberland Invest Ltd. and Timberland Capital Management GmbH (the <b>Distribution Agents</b>) have been authorised by the Issuer to use the Prospectus for any final placement of the Notes during the Offer Period (as defined in Element E.3 below). Information on the terms and conditions of the offer of Notes is to be provided at the time of the offer by the Distribution Agents.</p>

### Section B – Issuer

Element	Title	
B.1	<b>Legal and commercial name of the Issuer</b>	<p>The legal and commercial name of the issuer is Timberland Securities Investment plc (the <b>Issuer</b>).</p>
B.2	<b>Domicile/ legal form/ legislation/ country of incorporation</b>	<p>The Issuer is a public limited liability company incorporated and registered under the laws of Malta and domiciled in Malta. The head office of the Issuer is at the Aragon House, St. George's Park, St. Julian's STJ 3140, Malta. The registered address is 171, Old Bakery Street, Valletta VLT 1455, Malta.</p>

<b>B.4b</b>	<b>Known trends affecting the issuer and the industries in which it operates</b>	Not applicable. There are no known trends affecting the Issuer and the industries in which it operates.																										
<b>B.5</b>	<b>Description of the group and the Issuer's position within the group</b>	The Issuer is a subsidiary of Timberland Holding II Ltd, Malta, incorporated under the laws of Malta. The Issuer has a shareholding of 10 % in E-Seven Systems International Kommanditaktiengesellschaft, Liechtenstein, which is a financial holding within the E-Seven Systems Group of companies.																										
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable. The Issuer does not generate any profit forecast or estimate.																										
<b>B.10</b>	<b>Nature of any qualifications in the audit report on historical financial information</b>	The Issuer's annual accounts for the financial period till 31 December 2015 and 31 December 2016 as incorporated by reference have been audited by Ernst & Young Malta Limited, Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta. The audit reports dated 11 April 2016 and 30 June 2017 on the said historical financial information do not contain any qualifications.																										
<b>B.12</b>	<b>Selected historical key financial information</b>	<p>The annual accounts for the financial period from 30 January 2015 to 31 December 2015:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">2015 (€)</th> </tr> </thead> <tbody> <tr> <td>Non-Current assets</td> <td style="text-align: right;">756</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">71,457</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">72,213</td> </tr> <tr> <td>Shareholder's Equity</td> <td style="text-align: right;">12,689</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">59,524</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td style="text-align: right;">72,213</td> </tr> </tbody> </table> <p>The annual audited accounts for the financial period from 01 January 2016 to 31 December 2016:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">2016 (€)</th> </tr> </thead> <tbody> <tr> <td>Non-Current assets</td> <td style="text-align: right;">673,411</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">608,569</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">1,281,980</td> </tr> <tr> <td>Shareholder's Equity</td> <td style="text-align: right;">(46,401)</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">1,328,381</td> </tr> </tbody> </table>		2015 (€)	Non-Current assets	756	Current assets	71,457	Total Assets	72,213	Shareholder's Equity	12,689	Total Liabilities	59,524	Total Equity and Liabilities	72,213		2016 (€)	Non-Current assets	673,411	Current assets	608,569	Total Assets	1,281,980	Shareholder's Equity	(46,401)	Total Liabilities	1,328,381
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<b>B.13</b>	<b>Events impacting the Issuer's solvency</b>	Not applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.	
<b>B.14</b>	<b>Statement of dependency upon other entities within the group</b>	Please see Element B.5 above.	
<b>B.15</b>	<b>Principal activities</b>	<p>The principal activity of the Issuer comprises acting as arranger in respect of the issuance of limited recourse notes by Timberland Securities SPC (24 series of notes in the total nominal amount of each up to EUR 500,000,000 and in total up to EUR 12,000,000,000), Timberland Securities II SPC, Timberland Securities plc (20 series of notes in the total nominal amount of each EUR 5,000,000 and in total EUR 100,000,000), Timberland Securities S.A. and Timberland Investment S.A.</p> <p>Furthermore, the Issuer is a shareholder with currently 10 per cent. of the share capital of the E-Seven Systems International Kommanditaktiengesellschaft, which is the financial holding of the E-Seven Systems group. The E-Seven Systems group's business is in E-Mobility and residential and industrial energy storage systems.</p>	
<b>B.16</b>	<b>Controlling shareholders</b>	The controlling shareholder of the Issuer is Timberland Holding II Limited (C 68800), having its registered address at 171, Old Bakery street, Valletta, VLT 1455, Malta, which holds 99.9 per cent. of the issued share capital of the Issuer.	
<b>B.17</b>	<b>Ratings</b>	Neither the Issuer nor the Notes have been rated.	

### Section C – Securities

Element	Title	
<b>C.1</b>	<b>Description of Notes/ISIN</b>	<p>The series 5 contingent capital fixed rate bearer notes are unsecured and subordinated obligations of the Issuer.</p> <p>The Notes are initially represented by a temporary global note without coupons which will be exchangeable for a permanent global note without coupons.</p> <p>ISIN: XS1649890388</p> <p>Other Securities Identification Code: TS5C4B</p>
<b>C.2</b>	<b>Currency</b>	The Notes are issued in Euro ( <b>EUR</b> ) (the <b>Specified Currency</b> ).
<b>C.5</b>	<b>Restrictions on transferability</b>	There are no restrictions on the free transferability of the Notes.

		<p>No transfer of a Note may be registered during the period of 15 days ending on the due date for any payment in respect of that Note.</p>
<p><b>C.8</b></p>	<p><b>Rights attached to the Notes, including ranking and limitations on those rights</b></p>	<p><b><i>Rights</i></b></p> <p>Unless previously redeemed, or cancelled, the Notes will be redeemed at their Current Principal Amount (as defined in Element C.9 below) together with distributions, if any, accrued to, but excluding, the date of redemption, on 31 March 2021 (the <b>Maturity Date</b>).</p> <p>The Notes are providing for events of default entitling the Noteholders to demand immediate redemption of the Notes at the Early Redemption Amount.</p> <p><b><i>Ranking</i></b></p> <p>In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:</p> <p>(a) junior to all present or future unsubordinated instruments or obligations of the Issuer;</p> <p>(b) <i>pari passu</i> (a) among themselves, and (b) with all present or future obligations under any other Tier 2 Instruments; and</p> <p>(c) senior to all present or future (a) obligations under any AT 1 Instruments; and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank (x) subordinated to the obligations of the Issuer under the Notes or (y) <i>pari passu</i> with obligations under any AT 1 Instruments.</p> <p>d) Qualified subordination clause</p> <p>(i) All claims under the Notes, including but not limited to the claims for payment of the Principal Amount, the Call Redemption Amount, the Current Principal Amount, and the payment of Distributions, applying mutadis mutandis in accordance with section 19 (2) sentence 2 of the German Insolvency Code (<i>Insolvenzordnung</i>, InsO) 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 (1) nos. 1 to 5 InsO, i.e. at the ranking position stipulated in section 39 (2) InsO. The parties do not agree a waiver of the claim.</p> <p>(ii) Payments under the Notes may be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.</p>

		<p>(iii) The Noteholders may not demand satisfaction of their claims if this result, or threatens to result, in the Issuer becoming overindebted (<i>überschuldet</i>) or unable to pay its debts (<i>zahlungsunfähig</i>) within applying mutadis mutandis the meaning of German insolvency law.</p> <p>(iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.</p> <p>(v) In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.</p> <p>(vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole (<i>Gläubigergesamtheit</i>) applying mutadis mutandis within the meaning of section 328 (2) of the German Civil Code (<i>Bürgerliches Gesetzbuch</i>). 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.</p> <p>Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under the Notes, and no contractual collateral, or guarantee may be provided by the Issuer or any third person for the liabilities constituted by the Notes.</p> <p><b>AT 1 Instruments</b> means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR) as Additional Tier 1 instruments pursuant to Article 52 of the CRR, including any capital instruments that qualify as Additional Tier 1 instruments pursuant to transitional provisions under the CRR.</p> <p><b>CRR</b> means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (<i>Capital Requirements Regulation</i>), as amended from time to time.</p> <p><b>Tier 2 Instruments</b> means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR) as Tier 2 Instruments pursuant to Article 63 of the CRR, including any capital instruments that qualify as Tier 2 Instruments pursuant to transitional provisions under the CRR.</p> <p><b>Limitations</b></p> <p>– <b>No Redemption at the Option of a Noteholder</b></p>
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		<p>The Noteholders do not have a right to demand the redemption of the Notes.</p> <p>– <b>Write-down</b></p> <p>If the Issuer incurs an Annual Balance Sheet Loss in any fiscal year (<i>Geschäftsjahr</i>), the Noteholder shares in such loss (excluding any loss carry forwards from previous fiscal years of the Issuer) in the proportion which the Current Principal Amount bears in relation to the aggregate book value of all going concern loss sharing components of the Issuer’s regulatory liable capital, and the Current Principle Amount shall be written down accordingly. Following an Annual Balance Sheet Loss, there will be a corresponding reduction in the nominal amount of the Current Principal Amount equivalent to the amount of the Noteholder’s share in such Annual Balance Sheet Loss. The Noteholder’s aggregate share in Annual Balance Sheet Losses cannot exceed the Current Principal Amount.</p> <p><b>Annual Balance Sheet Loss</b> means the net loss for the fiscal year of the Issuer on an individual basis recorded in the Relevant Financial Statements.</p> <p><b>CET 1 Instruments</b> means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR (as defined in Element C.1 above)) as Common Equity Tier 1 instruments pursuant to Article 28 of the CRR, including any capital instruments that qualify as Common Equity Tier 1 instruments pursuant to transitional provisions under the CRR.</p> <p><b>Relevant Financial Statements</b> means annual accounts for the relevant end of each business year audited by an audit firm and approved by the board of directors.</p> <p><b>Similar Instruments</b> means any (directly or indirectly issued) debt instrument pursuant (other than the Notes) of the Issuer that provides for a write-down mechanism (permanent or temporary).</p> <p>– <b>Write-up</b></p> <p>Following a reduction, the Current Principal Amount will be written up in subsequent fiscal years of the Issuer in which Annual Balance Sheet Profit is recorded. The Current Principal Amount will be written-up prior to the writing-up of AT 1 Instruments (as defined in Element C.1 above). A writing-up of shareholders’ equity and allocation to reserves may only occur after the Current Principal Amount has been fully written-up again to its initial Principal Amount. No such increase of the Current Principal Amount may result in the Current Principal Amount being more than the Specified Denomination (as defined in Element C.9 below).</p>
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		<p><b>Annual Balance Sheet Profits</b> means net profits for the fiscal year of the Issuer on an individual basis recorded in the Relevant Financial Statements.</p>
<b>C.9</b>	<b>Interest / Redemption / Yield / Holders' Representative</b>	<p>Please read the following information together with Element C.8.</p> <p><b>Interest</b></p> <p>The Notes bear distributions on the Principal Amount at a fixed rate of 6.85 per cent. per annum.</p> <p><b>Maturity and Redemption</b></p> <p>The Notes will be redeemed at their Current Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on the Maturity Date (as defined in Element C.8 above) unless the Notes are early redeemed at the option of the Issuer on a Call Redemption Date at the relevant Call Redemption Amount.</p> <p><b>Call Redemption Amount</b> means an amount equal to the Current Principal Amount.</p> <p><b>Call Redemption Date</b> means Distribution Commencement Date (i.e. 18<sup>th</sup> of July 2017).</p> <p><b>Current Principal Amount</b> means initially the Specified Denomination, which from time to time - on one or more occasions - may be reduced by a Write-down (as defined in Element C.8 above) and, subsequent to any such reduction, may be increased by a Write-up (as defined in Element C.8 above), if any (up to the Specified Denomination).</p> <p><b>Specified Denomination</b> means EUR 1,000.</p> <p><b>Indication of Yield</b></p> <p>6.85 per cent. per annum</p> <p><b>Noteholders' Representative</b></p> <p>Not applicable.</p>
<b>C.10</b>	<b>Derivative component in the interest payment</b>	<p>Please read the following information together with Element C.9.</p> <p>Not applicable. The interest payments on the Notes do not have a derivative component.</p>
<b>C.11</b>	<b>An indication as to whether the securities offered are or will be the object of an application for</b>	<p>Application may be made for admission to trading of the bearer Notes on the regulated markets of the Luxembourg Stock Exchange (the <b>LuxSE</b>), and the Frankfurt Stock Exchange, and the Munich Stock Exchange, and the Stuttgart Stock Exchange,</p>



	<p><b>admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question</b></p>	<p>and the Vienna Stock Exchange. For the avoidance of doubt “and” means in regard to admission to trading of Notes one or more regulated market(s). Application may also be made for the inclusion to trading on the LuxSE's Euro MTF market and/or the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange, Munich Stock Exchange, Stuttgart Stock Exchange and/or the MTF (<i>Dritter Markt</i>) of the Vienna Stock Exchange (the <b>Open Market</b>). The Euro MTF market of the LuxSE and the Open Market are not regulated markets within the meaning of Directive 2004/39/EC on markets in financial instruments. For the avoidance of doubt “and” means in regard to admission to trading of Notes one or more not regulated market(s).</p>
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**Section D – Risks**

Element	Title	
D.2	<p><b>Key risks regarding the Issuer</b></p>	<p>The Issuer has a limited operating history that can be evaluated as a basis for the Issuer’s potential performance.</p> <p>The operations of the Issuer are dependent on the abilities of the members of its Board of Directors.</p> <p>Business activities of the Issuer as arranger in respect of the issuance of notes by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A., Timberland Investment S.A. and/or any other securitisation vehicle in respect of which the Issuer may act as arranger in the future may impact the ability of the Issuer to service interest on the Notes and to repay principal on the maturity or any other payment date.</p> <p>The Issuer may apply part of the proceeds received from the sale of the Notes to invest in financial instruments, which 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. This may impact the ability of the Issuer to service interest on the Notes and to repay principal on the maturity or any other payment date.</p> <p>In the event that the Issuer were determined to be subject to CRD IV and CRR, and would hence be subject to the regulatory requirements under CRD IV and CRR, this could have a negative impact on the Issuer’s business, operational results, financial condition or prospects. In the event that the Issuer were deemed to fall within the remit of the BRRD, regulatory action in the case of the Issuer's failure could adversely affect the value of the Notes. The principal amount of the contingent capital Notes, including accrued but unpaid interest, may be written off, converted into common equity Tier 1 capital or otherwise applied to absorb losses. Furthermore, there is a risk that the Issuer may not be able to meet minimum requirements for own funds and eligible liabilities which could materially adversely affect the Issuer’s ability to service interest on the</p>

		<p>Notes and to repay principal on the maturity or any other payment date.</p> <p>In the event that the Commission Securitisation initiative adopted on 30 September 2015 were to enter into force, this may impact the marketability of the securitized debt instruments in respect of which the Issuer acts as arranger. This could negatively impact the revenue streams of the Issuer and its business and financial prospects.</p> <p>The Noteholders assume the credit risk of the Issuer. In the case of insolvency of the Issuer, the Noteholders may lose part or all of their claims to repayment of their invested capital.</p> <p>The Issuer's overall performance and results may also be adversely affected by external factors beyond the Issuer's control, which include, amongst others, changes in economic and market conditions.</p> <p>In the event that investors' demand for the Notes does not reach the levels anticipated by the Issuer, the Issuer may be adversely affected. If one or more compan(y)(ies) which may form part of the same group of the Issuer have difficulty in securing adequate sources of liquidity this may have a material adverse effect on the business, financial condition and results of operations of the Issuer.</p> <p>Any downgrade of the credit rating which may, in the future, be assigned to: (a) the Issuer and/or any company which may form part of its group, and/or (b) Malta or any other country in which Issuer has or may in the future have significant operations, could have a material adverse effect on the liquidity and competitive position of the Issuer, undermine confidence therein, increase its borrowing costs, limit its access to funding and capital markets and/or limit the range of counterparties willing to enter into transactions with the Issuer and may, as a consequence, have a material adverse effect on the Issuer's business, financial condition and results of operations.</p> <p>New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could potentially subject the Issuer to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future. In the event that any one or more of the foregoing matters were to apply to the Issuer and/or to any member which may form part of its group, this could have a negative impact on the business of the Issuer, the products and services it offers as well as the value of its assets, and may require the Issuer to change the manner in which it conducts its business.</p> <p>The future development of the Issuer's assets, financial and profit position, inter alia, depends on the tax framework applicable to it. Every future change in legislation, relevant</p>
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		<p>decision of the Courts and/or the tax authorities' administrative practice may have a negative impact on the Issuer's business.</p> <p>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.</p> <p>The Issuer is exposed to operational risk, which is the risk of loss resulting from inadequate or failed internal processes, people and 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.</p> <p>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.</p> <p>The Issuer's results may, in the future, depend (in part) on the profitability of one or more of its future subsidiaries. In the event that such subsidiaries (if any) do not generate profits, this could have a material adverse effect on the Issuer's results of operations in that period, and on the Issuer's ability to make payments on the Notes.</p> <p>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. 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.</p> <p>Monitoring compliance with the rules and regulations regarding money laundering, sanctions, corruption and the financing of terrorism (hereinafter the <b>AML Rules</b>) can pose technical problems and can also impose a significant financial burden on the Issuer. Any violation of AML Rules, or even alleged violations, may have severe legal, monetary and reputational consequences and could have a material adverse effect on the Issuer's business, financial condition and results of operations.</p> <p>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</p>
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		<p>services 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 client. This may reduce the Issuer's net income and have an adverse effect on its results of operations.</p> <p>The Issuer may in the future seek to make acquisitions to support its business objectives and complement the development of its business in existing and new geographic markets. Such strategic transactions 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, which could 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.</p> <p>The UK's potential exit from the EU as a result of referendum in the UK which has been held in June 2016 or any future referendum could limit market access for the Issuer for the sale of financial products therein.</p>
<p><b>D.3</b></p>	<p><b>Key risks regarding the Notes</b></p>	<p>The Notes are complex financial instruments and may not be a suitable investment for certain investors.</p> <p>The Notes have features which may contain particular risks for potential investors, in particular they (i) may, under certain circumstances, be redeemed early by the Issuer, and (ii) provide for payments of certain fees and expenses before any payments to the Noteholders. 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. Furthermore, in the event that the Issuer were to be deemed to fall within the remit of the CRR, any redemption before the maturity date would be subject to the prior permission of the competent authority pursuant to Article 78(1) of the CRR. It is uncertain how the competent authority will apply these criteria in practice and such rules and standards may change during the maturity of the Notes.</p> <p>There can be no assurance that an active secondary market for the Notes will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that Noteholders will be able to sell the Notes at or above the subscription price or at all.</p> <p>No prediction can be made about the effect which future public offers of the Issuer's securities or any takeover or merger activity involving the Issuer, if any, would have on the market price of the Notes prevailing from time to time.</p> <p>The contingent capital Notes constitute direct, unsecured and subordinated obligations of the Issuer. Subordination means that the rights and claims of the Noteholders in respect of the</p>

		<p>payment of capital and interest on the Notes will, in the event of dissolution and winding-up of the Issuer, rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled. Accordingly, there is a substantial risk that investors who/which invest in the Notes will lose all or some of their investment should the Issuer become insolvent, or, if following a write-down, the Issuer has insufficient profit to write up the Notes.</p> <p>Under the terms and conditions of the contingent capital Notes, if the Issuer incurs an annual balance sheet loss this would trigger a write-down of the nominal amount of the Notes. Noteholders may lose all or some of their investment as a result of a write-down, unless, following such write-down, the Notes are subsequently written up.</p> <p>The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.</p> <p>Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.</p> <p>A Noteholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Notes and the Noteholder's currency of reference, if different.</p> <p>In the event that the Issuer wishes to amend any of the provisions of and/or conditions contained in this Base Prospectus, including the Terms and Conditions of the Notes, it shall call a meeting of Noteholders for approval. Defined majorities of Noteholders may bind all Noteholders including those that did not attend and vote at the relevant meeting and Noteholders who attended and voted in a manner contrary to the majority.</p> <p>The amounts which Noteholders should receive in respect of the Notes may be affected in the event that the Issuer substitutes another company for itself as issuer of the Notes under the conditions of the Notes.</p> <p>Noteholders should be aware that they may not be able to sell their Notes if trading in the Notes is suspended, interrupted or terminated and should also note that during periods of suspension or interruption of trading, stock exchange quotations may not adequately reflect the price of the Notes.</p> <p>Any rating which may, in the future, be assigned to the Notes, may not adequately reflect all risks of the investment in such Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes. A credit rating is not a recommendation to buy, sell</p>
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		or hold securities and may be revised or withdrawn by the rating agency at any time.
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**Section E – Offer**

Element	Title	
E.2b	<b>Reasons for the offer and use of proceeds</b>	The net proceeds from each Tranche of the Notes will be used for general corporate purposes of the Issuer.
E.3	<b>Terms and conditions of the offer</b>	<p>(a) Offer Period:</p> <p>The offer period started on 22<sup>th</sup> July 2017 and will finish on 31<sup>st</sup> of December 2020; the Issuer intends to continue the Subscription Period for the Securities after expiry of the period of validity of the Base Prospectus under the successor Base Prospectus. In so far as the Issuer does not exercise the option provided in the preceding sentence, the offer period will finish on 9<sup>th</sup> July 2018 (the <b>Offer Period</b>).</p> <p>The Issuer reserves the right for any reason to close the Offer Period early. The Issuer will also regularly inform the Noteholders during the Offer Period by publishing the relevant information on the website of the Issuer on <a href="http://www.timberland-investment.com">www.timberland-investment.com</a>.</p> <p>The Issuer reserves the right to continue the public offer subject to the filing of new Final Terms for the Securities under a Base Prospectus with a longer period of validity.</p> <p>(b) Price during the Offer Period:</p> <p>During the Offer Period, the Issuer will offer and sell the Notes at the subscription price (the <b>Subscription Price</b>). The Subscription Price in respect of the Notes will be published on each Business Day on the Issuer’s website <a href="http://www.timberland-investment.com">www.timberland-investment.com</a>.</p> <p>(c) Conditions of the offer:</p> <p>The Issuer reserves the right to withdraw the offer of the Notes for any reason at any time prior to the end of the Offer Period and subject to the Final terms the continuation of the public offering of the Securities after expiry of the period of validity of the Base Prospectus under the successor Base Prospectus. The Issuer reserves subject to the Final terms the right to continue the public offer subject to the filing of new Final Terms for the Securities under a Base Prospectus with a longer period of validity.</p> <p>(d) The time period during which the offer of the Notes will be open and description of the application process:</p> <p>The offer of the Notes will be open during the Offer Period. Applications for the purchase of Notes can be made to the Issuer</p>

		<p>with a copy to the Distribution Agents at their address at Aragon House, St. George's Park, St. Julian's STJ 3140, Malta and Huettenallee 137, 47800 Krefeld, Germany.</p> <p>(e) Details of the minimum and/or maximum amount of application:</p> <p>There is no minimum allocation of Notes per investor. The maximum allocation of Notes will be subject only to availability at the time of the application.</p> <p>(f) Details of the method for paying up and delivering the Notes:</p> <p>The Notes will be sold against payment of the Subscription Price to the Issuer or to any agent designated by the Issuer for the purpose of receiving payments in any other currencies than Euro. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor's application.</p> <p>(g) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</p> <p>Not applicable.</p> <p>(h) Manner and date in which results of the offer are to be made public:</p> <p>The offer volume is up to 20,000 Notes with an initial nominal value of EUR 1,000 each in respect of the Notes issued on 12 July 2017.</p> <p>(i) Description of the offer of the Notes:</p> <p>Public offer may be made in Republic of Austria, and the Federal Republic of Germany, and the Republic of Ireland, and the Principality of Liechtenstein, and the Grand Duchy of Luxembourg, and the United Kingdom of Great Britain and Northern Ireland (collectively, the <b>Public Offer Jurisdictions</b>) to any person during the Offer Period. In other EEA countries offers during the Offer Period may only be made pursuant to an exemption from the obligation under the Directive 2003/71/EC, as implemented in such countries, to publish a prospectus.</p> <p>The offers to be made in each Public Offer Jurisdiction will be made exclusively by the Distribution Agents and the agents appointed by the Distribution Agents for this purpose. Such offers will be made through different communication channels including public announcements, advertisements, mailing of quarterly reports or newsletters to existing or future investors, marketing activities in connection with coordinated advertising brochures and other printed matter.</p>
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<b>E.4</b>	<b>Interest of natural and legal persons involved in the issue/offer</b>	Other than as mentioned in the relevant Elements above and so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.
<b>E.7</b>	<b>Expenses charged to the investor by the Issuer or an offeror</b>	No expenses will be charged to investors by the Issuer or an offeror on top of the Subscription Price.