

**Warning  
(continuing offer):**

**An offer of securities to the public may continue after the expiration of the base prospectus under which it was commenced provided that a succeeding base prospectus is approved and published no later than the last day of validity of the previous base prospectus.**

**The last day of validity of the previous base prospectus was 04 December 2019. The succeeding base prospectus dated 04 December 2019 will be published on [www.timberlandsecurities.com](http://www.timberlandsecurities.com).**

**IMPORTANT NOTICE IN CASE OF CONTINUATION OF THE PUBLIC OFFER**

The previous Base Prospectus of Timberland Securities SPC for the Issuance of Limited Recourse Index-Linked Bearer Notes and Limited Recourse Index-Linked Registered Notes dated 5 December 2018 expires on 5 December 2019 and the succeeding Base Prospectus will be available on [www.timberlandsecurities.com](http://www.timberlandsecurities.com).

**Final Terms**

dated 04 December 2019

to the Base Prospectus dated 04 December 2019  
(the **Base Prospectus**)

of

**TIMBERLAND SECURITIES SPC**

Legal Entity Identifier (LEI): 894500CATNK7ZQJXBL60

Issue of Timberland Securities OptiMix B 4.25 % Notes 2019/2044  
(the **Securities** or the **Notes**)

Issue Date: 30 January 2019  
Series Number: R6

## Important Notice

*These Final Terms contain the final terms of an issue of Notes under the base prospectus of Timberland Securities SPC for the issuance of Limited Recourse Index-Linked Bearer Notes and Limited Recourse Index-Linked Registered Notes.*

*These final terms (the "**Final Terms**") have been prepared for the purposes of Article 8 para. 5 of the Regulation (EU) 2017/1129, as amended. 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 SPC (the "**Issuer**") dated 04 December 2019 for the issuance of Limited Recourse Index-Linked Bearer Notes and Limited Recourse Index-Linked 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 and with regard to the continuation of a public offer under a Successor Base Prospectus, as defined below, also the Original Base Prospectus, as defined below, for this issue of Notes.*

*The Final Terms consist of four parts: Part I – General Information; Part II – Terms and Conditions of the Securities; Part III – Index Description, and Part IV – Noteholder Meeting Provisions. A summary of the individual issue of the Notes is annexed to these Final Terms.*

*The Base Prospectus will no longer be valid on 03 December 2020. 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 (Option I) LIMITED RECOURSE INDEX-LINKED BEARER NOTES and (Option II) LIMITED RECOURSE INDEX-LINKED REGISTER NOTES, succeeding the Base Prospectus. This particularly applies to section entitled "Description of the Parties" but with the exception of the security-specific terms and conditions of the relevant issue. The latest valid version of the Base Prospectus is available in printed version free of charge at Windward 1, Regatta Office Park, West Bay Road, P.O. Box 897, Grand Cayman KYI-1103, Cayman Islands and in addition on the website [www.timberlandsecurities.com](http://www.timberlandsecurities.com) or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. No non-exempt offers of the Securities under these Final Terms will be made unless there is a valid version of the Base Prospectus.*

The validity of this Base Prospectus (also **Original Base Prospectus**) ends on 03 December 2020. After the expiration of the period of validity the offer may be continued on the basis of a successor base prospectus, provided that the Notes are specified therein. Any such successor base prospectus will be published on the website [www.timberlandsecurities.com](http://www.timberlandsecurities.com) or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer.

In the event of a public offering being continued under a Successor Base Prospectus, the relevant Final Terms, including the relevant summary, if any, shall be read in conjunction with the Successor Base Prospectus, which means that, in such case, each reference to the Base Prospectus made in the relevant Final Terms shall be deemed to constitute a reference to the relevant Successor Base Prospectus, with the exception of the security-specific terms and conditions of the relevant issue which will continue to be governed by the Original Base Prospectus. Security-specific terms and conditions for these purposes shall include, without limitation, the relevant Terms and Conditions and the information on the relevant Terms and Conditions and Notes referred to in the Successor Base Prospectus. **Successor Base Prospectus** means the most current applicable base prospectus, specifying the Notes to be included in the continued public offering and incorporating by reference those parts of the Original Base Prospectus which are required for the relevant issue of Notes.

The Base Prospectus dated 04 December 2019, under which the securities described in these Final Terms are continued to be offered, will cease to be valid on 04 December 2020. 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 Timberland Securities OptiMix B 4.25 % Notes 2019/2044 which succeeds the Base Prospectus dated 04 December 2019. The latest valid version of the Base Prospectus for the issuance of

Timberland Securities OptiMix B 4.25 % Notes 2019/2044 of Timberland Securities SPC is published on the website of Timberland Securities SPC ([www.timberlandsecurities.com](http://www.timberlandsecurities.com)). Investors can access the latest valid version of the Base Prospectus by selecting in the centre of this website.

These Final Terms serve to continue the public offering of the Securities which were documented by the Final Terms WKN TSR6BC dated 25 January 2019 to the Base Prospectus for Timberland Securities OptiMix B 4.25 % Notes 2019/2044 of Timberland Securities SPC dated 05 December 2018.

Investors who have already agreed to purchase or subscribe for securities during the validity period of the afore-mentioned Base Prospectus have the right, exercisable within a time limit of two working days after the publication of a 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 in printed version free of charge at Windward 1, Regatta Office Park, West Bay Road, P.O. Box 897, Grand Cayman KYI-1103, Cayman Islands and in addition on the website [www.timberlandsecurities.com](http://www.timberlandsecurities.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 03 December 2020. 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 (Option I) LIMITED RECOURSE INDEX-LINKED BEARER NOTES and (Option II) LIMITED RECOURSE INDEX-LINKED REGISTER NOTES. This particularly applies to section entitled "Description of the Parties". The latest valid version of the Base Prospectus is available in printed version free of charge at Windward 1, Regatta Office Park, West Bay Road, P.O. Box 897, Grand Cayman KYI-1103, Cayman Islands and in addition on the website [www.timberlandsecurities.com](http://www.timberlandsecurities.com) or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. No non - exempt offer offers of the Securities under these Final Terms will be made unless there is a valid version of the Base Prospectus.*

## Part I – General Information

This Part I. of these Final Terms is to be read in conjunction with the terms and conditions set forth in the part of the base prospectus dated 05 December 2018, as incorporated by reference. Besides these Final Terms are to be read in conjunction with the Base Prospectus dated 04 December 2019. The conditions applicable to the Notes are the result of following selection, completion, reproduction or deletion of the options contained in the relevant terms and conditions as set out in the relevant terms and conditions.

ISIN:	Not applicable.
Other security identification code(s):	WKN TSR6BC
Aggregate principal amount:	Up to EUR 500,000,000
Selling commission(s):	Front-Up Commission of up to 5% of the Nominal Amount or, in case the relevant subscription price is higher than the Nominal Amount, a Front-Up Commission of up to 5% of the relevant subscription price.
Other commissions:	None.
Expenses and taxes specifically charged to the subscriber or purchaser:	None.
Use of proceeds:	See the subsection " <i>Use of Proceeds</i> " in the Base Prospectus.
Net proceeds:	Up to EUR 500,000,000
Estimated total expenses:	Estimated total expenses in respect of the aggregate maximum amount of EUR 500,000,000 to be offered under these Final Terms will amount to approximately up to EUR 76,000,000 and will be borne by the Issuer.
Indication of yield	4.25 per cent. per annum
Material interests, including conflicting ones, of natural and legal persons involved in the issue/offer:	Save for the Distributor's entitlement to fees payable in connection with the offer of the 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.
Information about the past and future performance of the underlying and its volatility:	Reference is made to the Base Prospectus. Historical Performances are not a guarantee for future performance, which cannot be indicated and which is subject to market developments.
Jurisdiction(s), in which non-exempt offer may take place:	Non-exempt offers may be made in the Republic of Austria, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Principality of Lichtenstein, the Grand Duchy of

	Luxembourg, the Republic of Malta, and the United Kingdom of Great Britain and Northern Ireland.
Conditions, to which the offer is subject:	Except as stated in the Base Prospectus, no further conditions apply to the offer.
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). 100 per cent. of the issue is not underwritten.
Minimum amount of application:	EUR 1
Maximum amount of application:	EUR 500,000,000
Manner and date in which results of the offer are to be made public:	The Issuer will regularly inform the Noteholders during the offer period about the number of Notes sold during such offer period to investors by publishing the relevant information on the website of the Issuer ( <a href="http://www.timberlandsecurities.com">www.timberlandsecurities.com</a> ) or any successor or replacement address thereto). The results of the offer are to be made public ten working days after closing of the 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 on 04 December 2019 or any other subsequent date following an investors' application.
Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:	Not applicable.
Clearing System, Custody:	Not applicable.
Admission to trading:	Not applicable. However, application may be made to include the Securities to trading on the MTF market ( <i>Dritter Markt</i> ) of the Vienna Stock Exchange and the MTF market of the Irish Stock Exchange, which are not regulated markets and on one or more organised trading facilities (OTF) each within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
Offer period	Under the previous Base Prospectus dated 05 December 2018 the offer period initially started on 30 January 2019. The offer period

accordance with this Base Prospectus starts on 04 December 2019 and will finish on 03 December 2020 or, in case the Issuer continues the offer period for the Notes after expiry of the period of validity of this Base Prospectus under one or more succeeding Base Prospectus, on 15 February 2044 at the latest; the Issuer intends to continue the offer period for the Notes after expiry of the period of validity of the Base Prospectus under a succeeding Base Prospectus. The Issuer reserves the right for any reason to close the offer period at any time.

Subsequent resale or final placement of the Securities may be made until 15 February 2044.

Time period, including any possible amendments, during which the offer of the Securities will be open and description of the application process:

During the offer period, the Securities will initially be offered during a first subscription period, and continuously offered thereafter during a second subscription period.

After expiration of the first subscription periods, the offer period continues. The offer will be made without engagement. The first subscription period under the previous Base Prospectus dated 05 December 2018 was 30 January 2019 – 4 December 2019 (05:00 p.m. local time).

Second subscription period: 04 December 2019 until 03 December 2020 (05:00 p.m. local time) or, in case the Issuer continues the subscription period for the Notes after expiry of the period of validity of this Base Prospectus under one or more succeeding Base Prospectus, on 15 February 2044 at the latest. The Issuer reserves the right to close the second subscription period for any reason (e.g. a maximum aggregated principal amount of EUR 500,000,000 has been reached) earlier. In addition, the Issuer reserves the right to extend the second subscription period for any reason.

The Issuer intends to continue the second subscriptions period for the Notes after expiry of the period of validity of the Base Prospectus under a succeeding Base Prospectus.

Expected price at which the Securities will be offered:

During the offer period, the Issuer will offer and sell the Securities at the applicable issue prices.

The subscription price in respect of the Securities subscribed for during the second subscription period will correspond to the (i) product of (A) the Nominal Amount and (B) the Index Level on

the relevant Subscription Date and (ii) plus the Front-Up Commission.

Selling Restrictions:

The offer is a non-exempt offer.

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.timberlandsecurities.com](http://www.timberlandsecurities.com) (or any successor or replacement address thereto).

## Part II– Terms and Conditions of the Securities

### OPTION II - CONDITIONS OF THE LIMITED RECOURSE INDEX-LINKED REGISTERED NOTES

The Series R6 OptiMix B Limited Recourse Interest Bearing Index-Linked Notes (a **Registered Note** or, the **Registered Notes**, which expression shall in these terms and conditions of the Registered Notes (the **Conditions** and each a **Condition**), unless the context otherwise requires, include any further registered notes issued pursuant to Condition 13 (*FURTHER ISSUES*)), having an aggregate nominal value not exceeding EUR 500,000,000, are issued by Timberland Securities SPC, an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company, having its registered office at Windward 1, Regatta Office Park, West Bay Road, P.O. Box 897, Grand Cayman KYI-1103, Cayman Islands (the **Company**) and acting for the account of its OptiMix B SP (the **Issuer**).

In these Conditions, references to the Issuer may, as the case may be, be references to the Company and vice versa.

#### 1. DEFINITIONS

**Business Day** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) are open for business and commercial banks and foreign exchange markets settle payments in the Business Day Financial Centre.

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

**Calculation Agent** means Timberland Fund Management Ltd.

**Calculation Period** means any period of timer in respect of the calculation of an amount of distributions on any Registered Note.

**Clearing System** means Clearstream and/or Euroclear.

**Clearstream** means Clearstream Banking, *société anonyme*, Luxembourg and/or Clearstream Banking AG, Frankfurt.

**Companies Act 1915** means the Luxembourg act dated 10 August 1915 on commercial companies, as amended from time to time.

**Companies Law** means the Companies Law (2016 Revision) of the Cayman Islands, as amended.

**Day Count Fraction** means the actual number of days in the Calculation Period divided by 365 (or, if any calculation portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

**Distribution Agent(s)** means Timberland Invest Ltd. and Timberland Capital Management GmbH.

**Early Redemption Amount** has the meaning given to such term in Condition 5.3 (b).

**Early Redemption Date** has the meaning given to such term in Condition 5.3 (a).



**Early Redemption Valuation Date** means the 10<sup>th</sup> Business Day prior to the Early Redemption Date.

**Euro** or **EUR** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

**Euroclear** means Euroclear Bank S.A./N.V.

**Final Valuation Date** means the 10<sup>th</sup> Business Day prior to the Maturity Date.

**Force Majeure Event** means an event or circumstance which prevents or otherwise impedes the determinations or the performance of the duties of the Issuer and/or any agent appointed in relation to the Registered Notes, as the case may be. These events and circumstances may include, without limitation, a system failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance.

**Front-Up Commission** means a commission of up to 5% of the Nominal Amount or, in case the relevant Subscription Price is higher than the Nominal Amount, of the relevant Subscription Price(s) per Note.

**Full Repayment** means that the Issuer has paid in full to the Registered Noteholders the Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, the last Partial Redemption Amount, the Interest Payment Amount (as applicable) on each Registered Note to be redeemed and, in the case of the last Partial Redemption Amount, no more amounts are expected to be paid by the Issuer in respect of the relevant Registered Note.

**Index** means the OptiMix B Index as described in the Index Description.

**Index Description** means the description of the OptiMix B Index.

**Index Calculation Agent** has the meaning given to such term in Clause 1 of the Index Description.

**Index Calculation Day** has the meaning given to such term in Clause 3.2 of the Index Description.

**Index Components** has the meaning given to such term in Clause 2 of the Index Description.

**Index Disruption Event** means the failure of the Index Sponsor to publish the Index Level.

**Index Level** has the meaning given to such term in Clause 3.2 of the Index Description.

**Index Sponsor** has the meaning given to such term in Clause 1 of the Index Description.

**Interest Commencement Date** means 30 January 2019.

**Interest Payment Date** means 15 May and 15 November in each year, commencing on 15 May 2019 and ending on the Maturity Date.

**Interest Period** means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date.

**Interest Rate** means 4.25 per cent. per annum.

**Issue Date** means 30 January 2019.

**Issuer Account** means the account of the Issuer held with Commerzbank AG.

**Issuer Register** has the meaning given to such term in Condition 2.1 (e).

**Lock-Up Period** means the period starting on 30 January 2019 and ending on, and including, 15 February 2026.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Maturity Date** means the earlier of (i) the next Business Day after the full redemption of all Underlying Securities or (ii) 15 February 2044.

**Nominal Amount** means EUR 1.00.

**Optional Redemption Amount** has the meaning given to such term in Condition 5.4 (d).

**Optional Redemption Date** has the meaning given to such term in Condition 5.4 (a).

**Optional Redemption Valuation Date** means the 10<sup>th</sup> Business Day prior to the Optional Redemption Date.

**Partial Redemption Amount** means in relation to each Registered Note an amount equal to the amount received by the Issuer in connection with realisation of the corresponding portion of the Portfolio Assets.

**Participation Factor** means 0.90.

**Portfolio Assets** means the assets attributed to the Segregated Portfolio.

**Redemption Amount** has the meaning given to such term in Condition 5.2.

**Register** has the meaning given to such term in Condition 2.1 (d).

**Registered Noteholder** means each person in whose name a Registered Note is registered in the Issuer Register.

**Registrar and Transfer Agent** means Timberland Securities SPC.

**Segregated Portfolio** means the segregated portfolio called "OptiMix B SP" created by the Company in accordance with the terms of Section 216 of the Companies Law in connection with the Registered Notes.

**Specified Currency** means Euro (EUR).

**Subscription Agreement** means the legal binding agreement between an investor and the Issuer that sets out the terms for subscribing for the Registered Notes.

**Subscription Date** means the later of (i) the Business Day on which the Issuer receives the completed Subscription Agreement and any documents necessary under applicable laws (if any) from the relevant investor and (ii) the Business Day on which the Issuer receives the Subscription Price (after conversion, if applicable) on the Issuer Account.

**Subscription Period I** means the period of time in which investors may subscribe for the Registered Notes under the Subscription Agreement and that begins on 30 January 2019 and will end on 4 December 2019.

**Subscription Period II** means the period of time in which investors may subscribe for the Registered Notes under the Subscription Agreement and that begins on 5 December 2019 and will end on 15 February 2044.

**Subscription Price(s)** means, in respect of each Registered Note, the applicable subscription prices (the **Subscription Prices**) as determined as follows:

**Subscription Price I** means the price of a Registered Note subscribed for during the Subscription Period I. The Subscription Price I corresponds to the Nominal Amount plus the Front-Up Commission.

**Subscription Price II** means the price in respect of a Registered Note subscribed for during the Subscription Period II. The Subscription Price II corresponds to the (i) product of (A) the Nominal Amount and (B) the Index Level on the relevant Subscription Date and (ii) plus the Front-Up Commission.

**Substitute Issuer** has the meaning given to such term in Condition 16 (*SUBSTITUTION OF THE ISSUER*).

**TARGET2 Day** means any day on which the TARGET2 System is open.

**TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

**Tax Event** means any amendment to or change in the laws or regulations of Luxembourg or the Cayman Islands or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date pursuant to which the Issuer would be required to pay additional amounts.

The expressions "Calculation Agent" and "Registrar and Transfer Agent" shall in each case include any successor calculation agent, successor registrar and transfer agent, respectively.

## **2. FORM, DENOMINATION AND TITLE**

### **2.1 Form and Denomination**

- (a) On a Subscription Date, each Registered Note is issued for the Subscription Price in registered form only and may under no circumstances be converted into a note in bearer form. Each Registered Note has a nominal value equal to the Nominal Amount.
- (b) The Issuer may issue Registered Notes for no consideration to be held by the Issuer with a view to selling those Registered Notes on the secondary market. All determinations made under these Conditions will reflect the fact that such Registered Notes issued and directly held by the Issuer have been issued for no consideration (the Subscription Price for those Registered Notes will be deemed to be 0). So long as any Registered Notes are held by the Issuer, any rights attached to such Registered Notes (such as financial rights and voting rights) will be suspended.
- (c) The Registered Notes are not clearable through a clearing system but may be admitted to trading and/or listed on any stock exchange, regulated or unregulated market or on any organised trading facility (OTF) (within the meaning of Directive 2014/65/EU of

the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

- (d) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of holders of Registered Notes (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.
- (e) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).
- (f) A Registered Noteholder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Registered Notes.

## **2.2 Title**

- (a) Title to the Registered Notes passes only by registration (*inscription*) in the Issuer Register.
- (b) Ownership in respect of the Registered Notes is established by the registration in the Issuer Register.
- (c) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, the Issuer may deem and treat the person registered in the Issuer Register as absolute owner of the Registered Notes for all purposes (whether or not the Registered Note is overdue) and no person will be liable for so treating the holder.
- (d) No transfer of a Registered Note shall be recognised by the Issuer unless entered on the Register and the Issuer Register. In the case of discrepancies between the records of the Register and the Issuer Register, the latter shall prevail.

## **3. TRANSFERS**

### **3.1 Transfers**

A Registered Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the Registered Note in the form satisfactory to the Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonably require.

### **3.2 Formalities free of charge**

Registration of transfer of the Registered Notes will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### **3.3 Closed Periods**

- (a) No Registered Noteholder may require the transfer of a Registered Note to be registered (i) after the Event of Default Notice has been issued pursuant to Condition 9 or (ii) during the period of fifteen (15) days ending on the due date for any payment in respect of that Registered Note.
- (b) Furthermore, the Issuer shall not be required, in the event of an optional redemption of Registered Notes under Condition 5.4, to register the transfer of Registered Notes (or

parts of Registered Notes) during the period beginning on the twenty-fifth (25<sup>th</sup>) day before the Optional Redemption Date and ending on the Optional Redemption Date (both inclusive).

#### **4. STATUS OF THE REGISTERED NOTES AND INTEREST**

The Registered Notes constitute direct, unsecured and limited recourse obligations of the Issuer and rank pari passu and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse indebtedness of the Issuer, which has been or will be allocated to the Segregated Portfolio but in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation) claims under the Registered Notes will rank after all other claims of any subordinated or unsubordinated creditor of the Issuer, only to the extent permitted by applicable laws relating to creditors' rights generally.

Pursuant to Section 220 of the Companies Law, the Portfolio Assets shall only be used to meet liabilities due to the creditors in respect of the Segregated Portfolio and are not available or to be used to meet the claims of creditors of the Company or creditors of another segregated portfolio of the Company.

The Registered Notes shall bear interest on their Nominal Amount at the Interest Rate from, and including, the Interest Commencement Date to, but excluding, the Maturity Date. Interest (the **Interest Payment Amount**) shall be payable semi-annually in arrear on the Interest Payment Dates in each year. Interest will accrue in respect of each Interest Period.

The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such Interest Payment Date will amount to the equivalent of 4.25 % of the Nominal Amount of a Registered Note (p.a.). If Interest is required to be calculated for a period other than an Interest Period, the amount of interest payable on the Registered Notes in respect of their Nominal Amount for such period shall be calculated by applying the Interest Rate and the Day Count Fraction to the outstanding Nominal Amount of the Registered Notes and rounding the resultant figure to the nearest sub-unit of the Specified Currency, with 0.5 of a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

#### **5. REDEMPTION**

##### **5.1 Final Redemption**

- (a) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem each Registered Note on the Maturity Date by paying the Redemption Amount and the Interest Payment Amount to the Registered Noteholders. Once all the Registered Notes have been so redeemed, the obligations of the Issuer under these Conditions shall be fully discharged and the Registered Noteholders shall have no further claim or recourse against the Issuer.
- (b) If the Issuer, having used all reasonable efforts, was unable to realise all or part of the Portfolio Assets, the Issuer may redeem the relevant Registered Notes after the Maturity Date, including by instalments in accordance with Condition 5.6 below. The relevant Registered Notes shall not be deemed fully redeemed unless and until there are still any assets left in the Segregated Portfolio. The Issuer shall undertake to use all reasonable means to promptly achieve a Full Repayment.
- (c) The Registered Noteholders will not be entitled to any interest or other payment for the delay in receiving the Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such

delay in the payment of the Redemption Amount shall not constitute an Event of Default as provided in Condition 9 (*EVENTS OF DEFAULT*) below.

## 5.2 Redemption Amount

In respect of each Registered Note, the Redemption Amount corresponds, subject to a Replacement Specification pursuant to Condition 5.5 below, to the product of (A) the Nominal Amount, (B) the Participation Factor, and (C) the Index Level on the Final Valuation Date, as determined by the Calculation Agent (the **Redemption Amount**).

## 5.3 Early Redemption at the option of the Issuer

(a) In the event that:

- the Issuer determines in good faith that the performance of its obligations under the Registered Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; and/or
- a Force Majeure Event has occurred; and/or
- a Tax Event has occurred; and/or
- the obligations of the Issuer arising under, or in connection with, the Registered Notes become, in the opinion and at the discretion of the Issuer, unreasonably burdensome; and/or
- following a change in applicable law or regulation, the costs for the Issuer arising under, or in connection with, the Registered Notes are higher than the costs that the Issuer reasonably expected to incur at the time of the issue of the Registered Notes; and/or
- an Index Disruption Event has occurred,

the Issuer may, at its option, issue a notice to the Registered Noteholders in accordance with Condition 14 (*NOTICES*) below by which it informs the Registered Noteholders about the early redemption of the Registered Notes (in whole but not in part) on a date which cannot be less than ten (10) Business Days after the issue of the notice (the **Early Redemption Date**). On the Early Redemption Date, the Issuer shall redeem each Registered Note by paying the Early Redemption Amount and the Interest Payment Amount to the Registered Noteholders. In such a case, the obligations of the Issuer under these Conditions shall be fully discharged and the Registered Noteholders shall have no further claim or recourse against the Issuer.

(b) The Early Redemption Amount corresponds, subject to a Replacement Specification pursuant to Condition 5.5 below, to the product of (A) the Nominal Amount, (B) the Participation Factor, and (C) the Index Level on the Early Redemption Valuation Date, as determined by the Calculation Agent (the **Early Redemption Amount**).

(c) If the Issuer, having used all reasonable efforts, was unable to realise all or part of the Portfolio Assets, the Issuer may redeem the relevant Registered Notes after the Early Redemption Date, including by instalments in accordance with Condition 5.6 below. The relevant Registered Notes shall not be deemed fully redeemed unless and until there

are still any assets left in the Segregated Portfolio. The Issuer shall undertake to use all reasonable means to promptly achieve a Full Repayment.

- (d) The Registered Noteholders will not be entitled to any interest or other payment for the delay in receiving the Early Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay for the payment of the Early Redemption Amount shall not constitute an Event of Default as provided in Condition 9 (*EVENTS OF DEFAULT*) below.

#### **5.4 Redemption at the option of the Registered Noteholders**

- (a) Without prejudice to their right of early redemption in connection with an Event of Default pursuant to Condition 9 (*EVENTS OF DEFAULT*), any Registered Noteholder may, prior to the Maturity Date, request the early redemption of all or part of its outstanding Registered Notes on 15<sup>th</sup> of each calendar year, starting on 15 February 2026 falling after the expiry of the Lock-Up Period (each an **Optional Redemption Date**).
- (b) In order to exercise its right described in Condition 5.4 (a), a Registered Noteholder shall give to the Issuer, in accordance with Condition 14 (*NOTICES*), not less than thirty (30) nor more than sixty (60) Business Days' notice expiring on the Optional Redemption Date.
- (c) Upon receipt of the notice pursuant to **Fehler! Verweisquelle konnte nicht gefunden werden.** and subject as provided below, the Issuer will redeem each of the relevant Registered Notes on the Optional Redemption Date by paying the Optional Redemption Amount and the Interest Payment Amount.
- (d) The Optional Redemption Amount corresponds, subject to a Replacement Specification pursuant to Condition 5.5 below, to the product of (A) the Nominal Amount, (B) the Participation Factor, and (C) the Index Level on the Optional Redemption Valuation Date, as determined by the Calculation Agent (the **Optional Redemption Amount**).
- (e) The notice given by a Registered Noteholder in accordance with this Condition 5.4 shall be irrevocable except where, prior to the Optional Redemption Date, an Event of Default has occurred and is continuing, in which event such Registered Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.4 and instead to declare the Registered Notes forthwith due and payable pursuant to Condition 9.
- (f) If the Issuer, having used all reasonable efforts, was unable to realise all or part of the Portfolio Assets, the Issuer may redeem the relevant Registered Notes after that date, including by instalments in accordance with Condition 5.6 below. The relevant Registered Notes shall not be deemed fully redeemed unless and until there are still any assets left in the Segregated Portfolio.
- (g) The Registered Noteholders will not be entitled to any interest or other payment for the delay in receiving the Optional Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay in the payment of the Optional Redemption Amount shall not constitute an Event of Default under Condition 9 (*EVENTS OF DEFAULT*) below.

## **5.5 Replacement Specification**

If the Index Level used to determine the Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount (as applicable) is subsequently corrected and the correction (the **Corrected Index Level**) is published by the Index Calculation Agent or the Index Sponsor after the original publication of the Index Level but prior to the Maturity Date, the Early Redemption Date or the Optional Redemption Date (as applicable), then the Calculation Agent will notify the Issuer of the Corrected Index Level without undue delay and shall specify the relevant Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount (as applicable) again using the Corrected Index Level (the **Replacement Specification**) and publish it to the Registered Noteholders in accordance with Condition 14 (*NOTICES*) below. However, if the Calculation Agent is informed of the Corrected Index Level less than five Business Days prior to the date on which the Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount (as applicable) is to be paid, then the relevant Index Level will not be specified again.

## **5.6 Redemption by instalments**

Should the Issuer not receive sufficient cash from the realisation of the Portfolio Assets to pay the full Redemption Amount, Early Redemption Amount, Optional Redemption Amount, or the Interest Payment Amount (as applicable) when due, the Issuer will (i) pay a Partial Redemption Amount on each Registered Note to the relevant Registered Noteholder on the relevant due date and (ii) pay any further Partial Redemption Amount from the amounts received from the realisation of the Portfolio Assets after the relevant due date as soon as possible after the realisation.

The Issuer shall forthwith notify the Registered Noteholders in accordance with Condition 14 (*NOTICES*) of the reduced Nominal Amount resulting from the payment of a Partial Redemption Amount and annotate the Register accordingly.

## **5.7 Purchase of Registered Notes**

The Issuer may at any time purchase Registered Notes at any price. Such Registered Notes must be cancelled forthwith. For the avoidance of doubt, this Condition 5.7 does not apply to the Registered Notes held by the Issuer in accordance with Condition 2.1 (b).

## **5.8 Cancellation**

All Registered Notes redeemed by the Issuer upon a Full Repayment will be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Registered Notes shall be discharged.

# **6. PAYMENTS**

## **6.1 Limited recourse obligations**

- (a) For the avoidance of doubt, the Issuer shall only be obliged to make any payments to the Registered Noteholders in respect of the Registered Notes if, and only to the extent that, the relevant amounts are held in the Segregated Portfolio.

The Issuer shall be discharged of its obligation to pay the Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, the Partial Redemption Amount, or the Interest Payment Amount (as applicable) to the extent of the payments so made and no late interest will be due on any late payment in this respect.



For the avoidance of doubt, upon a Full Repayment, the relevant Registered Notes are redeemed in full and all claims of the Registered Noteholders shall be satisfied in respect of the Registered Notes so redeemed. In such case, the Registered Noteholders may not take any further steps against the Issuer to recover any further sums in respect of such Registered Notes and their right to receive any such sums shall be extinguished.

(b) Qualified subordination clause

- All claims under the Registered Notes, including but not limited to the claims for payment of the Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, the Partial Redemption Amount, and the Interest Payment Amount, applying mutatis 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 Registered 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. A waiver with respect to the claims is not possible.
- Payments under the Registered Notes may be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.
- The Registered Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Company becoming overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) applying mutatis mutandis within the meaning of German insolvency law.
- Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.
- In all other respects, the Registered Noteholders are entitled without restriction to assert their rights under the Registered Notes and to claim performance.
- For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Company as a whole (*Gläubigergesamtheit*) applying mutatis 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 Company.

## 6.2 Payments in Euro

Subject to as provided below, payments in respect of the Registered Notes will be made by credit or transfer to a Euro denominated account of the relevant Registered Noteholder the details of which are recorded in the Register at a given time.

## 6.3 Determinations

- (a) All calculations to be made under these Conditions (including the determinations of the Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, the Partial Redemption Amount, or the Interest Payment Amount) will be made by the Calculation Agent appointed by the Issuer.

- (b) In the absence of the Calculation Agent's wilful misconduct, bad faith or manifest error, the calculations of the Calculation Agent will be binding on the Registered Noteholders.

#### **6.4 Fractions**

When making payments to the Registered Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

#### **6.5 Payments subject to fiscal laws**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. A payment made in accordance with the provisions of this Condition 6 (*PAYMENTS*) above shall be a good discharge for the Issuer.

#### **6.6 Delay in payment or partial payments**

A Registered Noteholder will not be entitled to any interest or any other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day.

If any amount due on the Registered Notes is not paid in full, the Issuer will annotate the Issuer Register and cause the Register to be annotated with a record of the amount in fact paid.

#### **6.7 Business Days**

If a payment date referred to in these Conditions falls on a day which is not a Business Day, such payment date shall be postponed to the next following day which is a Business Day, provided that the Registered Noteholders shall not be entitled to any interest or other sum in respect of such postponed payment.

#### **6.8 Payment of tax refunds**

Tax refunds received by the Issuer in respect of the Portfolio Assets will be allocated to the Segregated Portfolio and re-invested.

### **7. MISCELLANEOUS**

#### **7.1 Companies Law (2016 Revision)**

By subscribing to the Registered Notes, or otherwise acquiring the Registered Notes, each Registered Noteholder expressly acknowledges and accepts, and will be deemed to have accepted and acknowledged, that the Company (i) is subject to the Companies Law and (ii) has created the Segregated Portfolio in respect of the Registered Notes to which all assets, rights, claims and agreements relating to the Registered Notes will be allocated. Furthermore, each Registered Noteholder acknowledges and accepts that it has only recourse to the Portfolio Assets and not to the assets allocated to any other segregated portfolios created by the Company or the general assets of the Company. Each Registered Noteholder expressly acknowledges and accepts that once all the assets allocated to the Segregated Portfolio have been realised, it is not entitled to take any further steps against the Issuer or the Company to recover any further sums due and the right to receive any such sum shall be extinguished. Each Registered Noteholder accepts not to attach or otherwise seize the assets of the Issuer allocated to the Segregated Portfolio or to other segregated portfolios of the Company or the general assets of the Company. In particular, none of the Registered Noteholders shall be entitled to (i) institute against the Company or any segregated portfolio of the Company, including the Segregated Portfolio, or join or assist any other person in instituting against the Company or any segregated portfolio of

the Company, including the Segregated Portfolio, any winding-up, liquidation, bankruptcy, arrangement or insolvency proceedings under any Cayman Islands law, Luxembourg law or similar law of any jurisdiction, or (ii) apply for a receivership order under Section 224 of the Companies Law in respect of the Segregated Portfolio or any other segregated portfolio of the Company. In the case of a conflict between the provisions of this Condition 7.1 and the other Conditions, the provisions of this Condition 7.1 shall prevail.

By subscribing for the Registered Notes, or otherwise acquiring the Registered Notes, each Registered Noteholder expressly acknowledges and accepts that it has no direct right in respect of the Portfolio Assets.

## **7.2 Exclusion of application for winding-up**

For the avoidance of doubt, no Registered Noteholder may initiate proceedings against the Issuer or the Company based on Section 94 of the Companies Law.

## **7.3 Collateral**

The Issuer endeavours to hold at any time assets that are, in its reasonable discretion, suitable to ensure full and punctual payment of the Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount, or the Interest Payment Amount, respectively. The Issuer shall not be obliged to directly, indirectly, or synthetically invest in the Index Components.

## **8. TAXATION**

All payments by or on behalf of the Issuer in respect of the Registered Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

## **9. EVENTS OF DEFAULT**

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if the Issuer fails to perform or observe any of its material obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of thirty (30) days next following the service by a Registered Noteholder on the Issuer of notice requiring the same to be remedied; or
- (b) a court order is made or an effective resolution is passed or a notice is issued convening a meeting for the purpose of passing any resolution or any other step is taken for the winding-up, insolvency, bankruptcy, administration, reorganisation or reconstruction of the Company or for the appointment of a liquidator, administrator, administrative receiver, receiver, trustee or similar officer of the Company or the Segregated Portfolio or similar Cayman Islands or foreign laws proceedings affecting the rights of creditors generally are opened against the Company and remain unstayed in effect for a period of thirty (30) consecutive days; or
- (c) if the Company stops or threatens to stop payment of, or is unable, or admits inability, to pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law and has lost its creditworthiness,

then the Issuer shall promptly notify the Registered Noteholders of the occurrence of the relevant Event of Default and any Registered Noteholder may, by written notice (the **Event of Default Notice**) to the Issuer, effective upon the date of receipt thereof by the Issuer, declare all (but not part only) of the Registered Notes held by it to be forthwith due and payable within the next thirty (30) days whereupon each of the same shall become so payable at the Optional Redemption Amount without presentment, demand, protest or other notice of any kind.

If the Issuer, having used all reasonable efforts, was unable to realise all or part of the Portfolio Assets, the Issuer may redeem the relevant Registered Notes after that date, including by instalments in accordance with Condition 5.6 above. The relevant Registered Notes shall not be deemed fully redeemed unless and until there are still any assets left in the Segregated Portfolio. The Issuer shall undertake to use all reasonable means to promptly achieve a Full Repayment. The Registered Noteholders will not be entitled to any interest or other payment for the delay suffered in receiving the Optional Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer.

## **10. PRESCRIPTION**

Claims against the Issuer for payment in respect of the Registered Notes shall be prescribed and become void unless made within ten years (in the case of the Redemption Amount, the Early Redemption Amount, and the Optional Redemption Amount) and five years (in the case of the Interest Payment Amount) from the date on which the relevant payment first becomes due.

## **11. MEETING OF NOTEHOLDERS**

**11.1** Articles 470-3 to 470-19 of the Companies Act 1915 are not applicable to the Registered Notes, according to article 470-20 of the Companies Act 1915.

**11.2** The Base Prospectus in respect of the Registered Notes contains detailed provisions (as set out in the section entitled "*Noteholder Meeting Provisions*") for convening (i) meetings of the Registered Noteholders, (ii) joint meeting of holders of more than one series of notes in registered form issued by the Company under one or more of its segregated portfolios (including, where applicable, the Registered Notes), (iii) joint meetings of holders of more than one series of the Registered Notes and (iv) joint meetings of holders of more than one series of outstanding notes (including notes in both registered form and bearer form) issued by the Company under more than one of its segregated portfolios.

**11.3** At meetings of the Registered Noteholders, the Registered Noteholders will deliberate and resolve on matters that relate specifically and exclusively to the Registered Notes. A meeting of the Registered Noteholders shall have powers:

- (a) to sanction the release of the Issuer from the payment of all or any part of the monies payable pursuant to these Conditions in respect of the Registered Notes;
- (b) (subject to Condition 12 below) to sanction any modification of the Conditions specifically affecting the rights of the Registered Noteholders; and
- (c) to vote on any resolutions tabled by the board of directors of the Company and specifically affecting the Registered Notes.

**11.4** For the avoidance of doubt, a resolution which affects Registered Noteholders of more than one series of notes issued by the Issuer or the Company (as applicable) may be passed at a single

meeting of Registered Noteholders only if it does not give rise to a conflict of interest between such noteholders.

**11.5** Subject to Condition 11.4:

- (a) at joint meeting of holders of more than one series of notes in registered form issued by the Company under one or more of its segregated portfolios (including, where applicable, the Registered Notes), the relevant Registered Noteholders will deliberate and resolve on matters that relate to such notes;
- (b) at joint meetings of holders of more than one series of the Registered Notes, the relevant Registered Noteholders will deliberate and resolve on matters that relate to such Registered Notes and the Segregated Portfolio in general; and
- (c) at joint meetings of holders of more than one series of outstanding notes issued by the Company under any and all of its segregated portfolios, the relevant holders (including, where applicable, the Registered Noteholders) will deliberate and resolve on matters that relate to such notes or the Company in general.

**12. MODIFICATION**

The Issuer may make, without the consent of the Registered Noteholders, any modification to the Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Company is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Registered Notes.

Any such modification shall be binding on the Registered Noteholders and any such modification shall be notified to the Registered Noteholders by way of a notice in accordance with Condition 14 (*NOTICES*).

No modifications to the Conditions may be made by the Registered Noteholders without the Issuer's written consent.

**13. FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Registered Noteholders, create and issue under the Segregated Portfolio further notes (i) having the same Conditions in all respects as the outstanding Registered Notes except for the Issue Date, so that such further issue shall be consolidated and form a single series with the outstanding Registered Notes, and references in these Conditions to the Registered Notes shall be construed accordingly or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue. In addition, the Company may, without the consent of the Registered Noteholders, issue all types of securities under other segregated portfolios set up by it. The Issuer will inform the existing Registered Noteholders of any issuance of further Registered Notes under the Segregated Portfolio pursuant to (ii) via a notice in accordance with Condition 14.

**14. NOTICES**

**14.1 Form of notice**

A notice:

must be in the English language; and

may be given by the addressor itself or on behalf of the addressor by a solicitor, director or company secretary of the addressor.

#### **14.2 Notices to the Registered Noteholders**

All notices to the Registered Noteholders (including notices convening a meeting of Registered Noteholders) will be deemed to be validly given if published on the website of the Issuer ([www.timberlandsecurities.com](http://www.timberlandsecurities.com) or any successor or replacement address thereto) or in a newspaper with a general circulation in a jurisdiction where the Registered Notes have been or will be offered to the public (the **Public Offer Jurisdictions**). Any such notice will be deemed to have been given on the date of the first publication. A detailed up-to-date list of the relevant newspapers in each Public Offer Jurisdiction is published on the Issuer's website ([www.timberlandsecurities.com](http://www.timberlandsecurities.com) or any successor or replacement address thereto).

#### **14.3 Notices to the Issuer**

All notices to the Issuer will be deemed to be validly given if sent by registered mail to the Registrar and Transfer Agent at its specified office and the Issuer at its registered office as published in the files of the Registrar of Companies in the Cayman Islands and will be deemed to have been given on the fifth (5<sup>th</sup>) Business Day after mailing with a copy emailed to each of the Distribution Agents.

### **15. REGISTRAR AND TRANSFER AGENT**

Each of the Registrar and Transfer Agent and the Distribution Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Registered Noteholders. The Issuer reserves the right at any time, without the prior approval of the Registered Noteholders, to vary or terminate the appointment of each of the Registrar and Transfer Agent and the Distribution Agent, provided that the Issuer will at all times maintain a Registrar and Transfer Agent and a Distribution Agent having a specified office in the European Union. Notice of any such change will promptly be given to the Registered Noteholders in accordance with Condition 14 (*NOTICES*).

Each of the Registrar and Transfer Agent and the Distribution Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

### **16. SUBSTITUTION OF THE ISSUER**

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

- (a) the Substitute Issuer is solvent and can perform all obligations under and in connection with the Registered Notes;
- (b) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;
- (c) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Registered Notes) from the authorities of the country in which it has its registered office;
- (d) the Issuer has transferred the Portfolio Assets to the Substitute Issuer; and

- (e) the substitution of the Substitute Issuer for the Issuer does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Registered Noteholders.

Notice of any such substitution shall be given to the Registered Noteholders in accordance with Condition 14.

The Issuer will not guarantee the obligations of the Substitute Issuer under the Registered Notes after the substitution. The Registered Noteholders, by subscribing for, or otherwise acquiring, the Registered Notes, are deemed to have (i) consented to any substitution of the Issuer effected in accordance with this Condition 16 and to the release of the Issuer from any and all obligations in respect of the relevant Registered Notes and these presents; and (ii) accepted such substitution and the consequences thereof.

After the substitution of the Issuer by a Substitute Issuer this Condition 16 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 Issuer.

## **17. GOVERNING LAW AND JURISDICTION**

### **17.1 Governing Law**

The Registered Notes are governed by, and shall be construed in accordance with, Luxembourg law.

### **17.2 Jurisdiction**

The Luxembourg district courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Registered Notes and accordingly any legal action or proceedings arising out of or in connection with the Registered Notes (**Proceedings**) may be brought in such courts. Each of the Issuer and the Registered Noteholders irrevocably submit to the jurisdiction of the Luxembourg district courts and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

## Part III – Index Description

### DESCRIPTION OF THE OPTIMIX B INDEX

#### 1. BASIC PRINCIPLES OF THE INDEX

The OptiMix B Index (the **Index**) is an index that was developed and designed, and is sponsored by Timberland Services Ltd. (the **Index Sponsor**) and is calculated by Timberland Services Ltd. (the **Index Calculation Agent**) in accordance with this Index Description. The Index reflects the performance/value of a basket consisting of a Securities Component and a Cash Component subject to the deduction of certain fees and costs. The basket (and thus also the Index) is designed to achieve a steady increase in value while volatility or similar parameters that define the underlying strategy (the **Objective of the Index**) in accordance with the OptiMix B Strategy (as defined below).

#### 2. COMPOSITION OF THE INDEX

The Index is composed of the Index Components which are weighed in accordance with the OptiMix B Strategy (the **Index Composition**).

Whereby

**Cash Component** means a virtual non-interest bearing amount in Euro.

**Index Components** means the Securities Component and the Cash Component.

**Issuer of the Underlying Securities** means (i) Timberland Investment SA or a compartment (within the meaning of the Securitisation Act) of Timberland Investment SA, or (ii) its respective successor or, (iii), in case of a substitution of the Issuer of the Underlying Securities, a Substitute Issuer of the Underlying Securities or a compartment (within the meaning of the Securitisation Act) or a segregated portfolio (within the meaning of the Companies Law) of a Substitute Issuer of the Underlying Securities.

**Securities Component** means the Underlying Securities weighed in accordance with the OptiMix B Strategy.

**Securitisation Act 2004** means the law of 22 March 2004 on securitisation of Luxembourg.

**Underlying Securities** means the following securities issued by the Issuer of the Underlying Securities: Equity Portfolio Limited Recourse Bonds (as set out in section entitled "*Description of the Equity Portfolio Limited Recourse Bonds*"), Bonds Portfolio Limited Recourse Bonds (as set out in section entitled "*Description of the Bonds Portfolio Limited Recourse Bonds*"), Precious Metals Portfolio Limited Recourse Bonds (as set out in section entitled "*Description of the Precious Metals Portfolio Limited Recourse Bonds*") (each an **Underlying Security**).

**OptiMix B Strategy** means that the share of the Cash Component in the Index is 2 per cent. and the share of the Underlying Securities in the Index is 98 per cent. Furthermore, Underlying Securities are weighed within the Securities Component as follows:

<b>Underlying Security</b>	<b>Weighting</b>
Equity Portfolio Limited Recourse Bonds	60 per cent.
Bonds Portfolio Limited Recourse Bonds	20 per cent.



Precious Metals Portfolio Limited Recourse Bonds	20 per cent.
OptiMix Portfolio Limited Recourse Bonds	0 per cent.
Top-10 Portfolio Limited Recourse Bonds	0 per cent.

### 3. CALCULATION OF THE INDEX

#### 3.1 Index Calculation Agent

The Index Sponsor has assigned all rights and duties with regard to Index Calculation to the Index Calculation Agent. The Index Sponsor is at any time authorised to select a new Index Calculation Agent (the **New Index Calculation Agent**). Each reference in the Index Description to the Index Calculation Agent will be deemed to refer to the New Index Calculation Agent.

The Index Calculation Agent shall apply the rules and methodology described in this Index Description. Its application of such rules and methodology shall be conclusive and binding except in case of manifest error.

#### 3.2 Calculation method

The Index will initially be calculated on 30 January 2019 (the **Index Commencement Date**). The initial Index Level on the Index Commencement Date is 100 index points, one index point corresponding to EUR 0.01. The index points are calculated with 2 decimals. Decimals are not corresponding to an EUR amount (rounded down EUR amount). On each Index Calculation Day (t) the Index Calculation Agent shall calculate the level of the Index (the **Index Level**). Index Calculation Day means a day (other than a Saturday and a Sunday) on which credit institutions are open for general business in Germany, and which is also a TARGET2 Day (an **Index Calculation Day**).

$$\text{Index Level}_t = \text{NAV}_{\text{IC}} - \text{TECF} - \text{MF} - \text{AF} - \text{PF} - \text{DC} - \text{DF}.$$

Whereby

**NAV<sub>IC</sub>** = Net Asset Value of the Index Components;

**TECF** = Tracking Error Correction Factor;

**MF** = Management Fee;

**AF** = Arranger Fee;

**PF** = Performance Fee;

**DC** = Distribution Commission;

**DF** = Distribution Factor.

**Arranger** means Timberland Securities Investment plc.

**Arranger Fee** means a fee of 0.00246575 index points per calendar day. The Arranger Fee only applies until 15 February 2044. If an Index Calculation Day has been immediately preceded by a calendar day (or more than one consecutive calendar days) which is not an Index Calculation Day, the Arranger Fee for such calendar day which is not an Index Calculation Day is applied to the calculation of the Index Level for the relevant Index Calculation Day. The Arranger has the sole and absolute discretion to lower the Arranger Fee to 0.00 index points.

**Distribution Commission** means a fee of 0.00246575 index points per calendar day; if an Index Calculation Day has been immediately preceded by a calendar day (or more than one consecutive calendar days) which is not an Index Calculation Day, the Distribution Fee for such calendar day which is not an Index Calculation Day is applied to the calculation of the Index Level for the relevant Index Calculation Day. The Investment Advisor has the sole and absolute discretion to lower the Distribution Fee to 0.00 index points.

**Distribution Factor** means the Interest Payment Amount paid to Registered Noteholders according to Condition 4 of the "*Conditions of the OptiMix B Limited Recourse Index-Linked Registered Notes*" divided by the Index Level calculated by the Index Calculation Agent on the relevant Interest Payment Date.

**Gross Increase of the Index Level (GIIL (t))** means on any valuation date a level equal to the difference of the Index Level on valuation date (t) and the applicable Relevant Highest Level, provided that solely for this purpose the Index Level after deduction of the Management Fee, Arranger Fee and, the Tracking Error Correction Factor (if any), and the Distribution Commission, and the Distribution Factor, but before deduction of the Performance Fee, if any, will be used in order to calculate the Index Level.

**Management Fee** means a fee of 0.00246575 index points per calendar day; if an Index Calculation Day has been immediately preceded by a calendar day (or more than one consecutive calendar days) which is not an Index Calculation Day, the Management Fee for such calendar day which is not an Index Calculation Day is applied to the calculation of the Index Level for the relevant Index Calculation Day. The Investment Advisor has the sole and absolute discretion to lower the Management Fee to 0.00 index points.

**Investment Advisor** means Timberland Fund Management Ltd.

**Net Asset Value of the Index Components** means the net asset value of the Index Components on the relevant Index Calculation Day (t) as determined by the Index Calculation Agent and calculated in index points whereby EUR 0.01 corresponds to one index point.

**Performance Fee** means a fee which on any valuation date (**PF (t)**) will be equal to 15% in relation to the positive Gross Increase of the Index Level plus VAT if applicable in the relevant jurisdiction of the Investment Advisor, currently Malta ((currently 18%), resulting in an aggregate percentage of currently up to 17.70%). The Performance Fee will only be applied if the Index Level on the relevant valuation date is higher than the Relevant Highest Level. Any Performance Fee incurred will be deducted on a monthly basis from the Index Level on the last Index Calculation Day of each month. The Performance Fee will be calculated in accordance with the following formula:

$$PF (t) = \max(0; GIIL (t) \times (\text{up to } 17.70\%))$$

**Relevant Highest Level** means the initial Index Level on the Index Commencement Date. Thereafter, the Relevant Highest Level will be determined on each valuation date in accordance with the following provisions:

- (a) The Relevant Highest Level will be the highest Index Level reached on any valuation date preceding the relevant valuation date (after deduction of the Performance Fee); i.e. if the Index Level (after deduction of the Performance Fee) on any valuation date exceeds the Relevant Highest Level applicable on such valuation date, then the Relevant Highest Level will be deemed to be equal to the Index Level (after deduction of the Performance Fee). The Relevant Highest Level adjusted in this manner will apply from the next following valuation date. If the Index Level (after deduction of the Performance Fee) on any valuation date does not exceed the Relevant Highest Level applicable on such valuation date, then the Relevant Highest Level will remain unchanged, except as provided in the following paragraph.
- (b) In each month, on the 31<sup>st</sup> of each month starting from January 2019 (if such calendar day(s) is/are a valuation date, and in all other cases on the next following valuation date) (each an **Relevant Highest Level Reset Date**), the Relevant Highest Level will be reset so that it will be equal to the Index Level (after deduction of the Performance Fee) on such Relevant Highest Level Reset Date. If the Index Level on such day is lower than the previous Relevant Highest Level, the Relevant Highest Level will be reduced accordingly.

**Tracking Error Correction Factor** means 2.5 per cent. of the Net Asset Value of the Index Components. The Investment Advisor has the sole and absolute discretion to lower the Tracking Error Correction Factor to 0.00 per cent.

### **3.3 Publication of the Index Level**

The Index Level shall be published on [www.timberlandsecurities.com](http://www.timberlandsecurities.com) or any successor or replacement address thereto. Publication takes place on each Index Calculation Day.

## **4. INDEX CORRECTIONS**

If the Index Calculation Agent determines in its reasonable discretion in respect of an Index Calculation Day that the Net Asset Value of the Index Components used to determine the Index Level was incorrect, e.g. because the price of one or more underlying assets of the Index Components is subsequently corrected or if a hypothetical investor would not have been able to sell one or more underlying assets of the Index Components at the price(s) used to determine the relevant Index Level, it may subsequently correct the relevant Index Level within a period of 360 Business Days after the initial publication of the relevant Index Level.

## **5. ADJUSTMENTS**

### **5.1 Adjustments of the Index calculation**

The Index Calculation Agent calculates the Index in compliance with this Index Description on the basis of the composition of the Index as set out under Clause 2 and the provisions on the calculation of the Index as set out under Clause 3. If, in the reasonable discretion of the Index Calculation Agent, tax, regulatory, statutory, economic or other relevant circumstances would significantly affect the calculation of the Index, the Index Calculation Agent may, in its reasonable discretion, adjust the calculation of the Index by deviating from, or performing changes to, the calculation method as detailed in the Index Description, in order to make up for the effect caused on the Index calculation. Any such adjustment is subject to the proviso that the general concept and, in particular, the Objective of the Index are maintained, and provided that the financial conditions of the investors who have acquired financial products linked to the Index should not substantially change to their disadvantage. In the event of an adjustment of the calculation of the Index, the Index Calculation Agent will publish the relevant adjustment on

www.timberlandsecurities.com or any successor or replacement address thereto without undue delay.

## 5.2 Adjustments of the Index Composition

If, in the reasonable discretion of the Index Sponsor regulatory, statutory, economic, tax or other relevant circumstances would require an adjustment of the Index Composition in order to pursue the Objective of the Index, the Index Sponsor may, in its reasonable discretion, adjust the Index Composition. Any such adjustment is subject to the proviso that the general concept and, in particular, the Objective of the Index are maintained, and provided that the financial conditions of the investors who have acquired financial products linked to the Index should not substantially change to their disadvantage. In the event of an adjustment of the Index Composition, the Index Sponsor will publish the relevant adjustment on www.timberlandsecurities.com or any successor or replacement address thereto without undue delay.

## 5.3 Adjustments of the Index due to an Index Replacement Event

In the case of an Index Replacement Event the Index Sponsor is entitled to determine acting in accordance with relevant market practice and in good faith, which index should be used in the future as an Index (the "**Replacement Index**"). Any reference to the replaced Index in the herein shall be deemed to refer to the Replacement Index. In the case of an Index Replacement Event, the Index Sponsor will publish the relevant adjustment on www.timberlandsecurities.com or any successor or replacement address thereto without undue delay.

Whereby

"**Index Replacement Event**" means

- (a) any change in the relevant index concept or the calculation of the Index, that as determined by the Index Calculation Agent acting in accordance with relevant market practice and in good faith result in a new relevant index concept or calculation of the Index being no longer economically equivalent to the original relevant index concept or the original calculation of the Index;
- (b) the calculation or publication of the Index is finally discontinued, or replaced by another index;
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Index as basis for any calculation or specifications described herein;
- (d) any event which is economically equivalent to one of the above-mentioned events with regards to its consequences on the Index.
- (e) (i) any future event in the reasonable discretion of the Index Calculation Agent or (ii) as determined by the Index Calculation Agent acting in accordance with relevant market practice and in good faith.

## 5.4 Adjustments of the function of the Index Sponsor

If the Index is no longer determined by the Index Sponsor but rather by another person, company or institution other than the Index Sponsor (the "**New Index Sponsor**"), then any calculation herein described shall occur on the basis of the Index as determined by the New Index Sponsor. Any reference to the replaced Index Sponsor herein shall be deemed to refer to the New Index Sponsor.

## **6. SUBSTITUTION OF THE ISSUER OF THE UNDERLYING SECURITIES**

The Issuer shall be entitled at any time to substitute for the Issuer of the Underlying Securities another person (the **Substitute Issuer of the Underlying Securities**) as issuer of the Underlying Securities, provided that

- (a) the Substitute Issuer of the Underlying Securities is solvent and can perform all obligations under and in connection with the Underlying Securities;
- (b) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer of the Underlying Securities;
- (c) the Substitute Issuer of the Underlying Securities has been granted all necessary consents from the authorities of the country in which it has its registered office;
- (d) the assets underlying the Underlying Securities have been transferred from the Issuer of the Underlying Securities to the Substitute Issuer of the Underlying Securities; and
- (e) the substitution of the Substitute Issuer of the Underlying Securities for the Issuer of the Underlying Securities does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders.

In the event of a substitution in accordance with this Clause 6, the Issuer will publish the relevant information on [www.timberlandsecurities.com](http://www.timberlandsecurities.com) or any successor or replacement address thereto without undue delay.

## **7. DISCLAIMER**

The Index exists exclusively in the form of data records and by no means represents any legal or economic ownership in respect of the Index Components. Neither an issuer of financial instruments linked to the Index nor the Index Calculation Agent or the Index Sponsor shall be obliged to invest into the Index Components or to hold them.

The calculation and composition of the Index has and will be performed by the Index Calculation Agent and the Index Sponsor with all due care. However, neither the Index Sponsor nor the Index Calculation Agent shall give any representation or guarantee for the correctness of the calculation of the relevant market parameters. Neither the Index Sponsor nor the Index Calculation Agent shall accept any liability for any direct or indirect damage which may result from an incorrect calculation of the relevant market parameters.

## Part IV – Noteholder Meeting Provisions

### NOTEHOLDER MEETING PROVISIONS

#### 1. DEFINITIONS

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

**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 Registrar and Transfer Agent has its specified office (disregarding for this purpose the day on which the meeting is to be held); and

**48 hours** means a period of 48 hours including all or part of two days on which banks are open for business both in the place where the meeting is to be held and in the place where the Registrar and Transfer Agent has its specified office (disregarding for this purpose the day on which the meeting is to be held).

**Noteholder(s)** means the with respect to Registered Notes, Registered Noteholders.

**Series** means the relevant series of Registered Notes. References in this section to the Registered Notes are to the Series of Registered Notes in respect of which the meeting is, or is proposed to be, convened. References in this section to the Notes are to the Series of Registered 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 a Registered Note; and
- (b) a proxy appointed by a holder of a Registered Note.

2.2 Registered Notes - appointment of proxy

- (a) A holder of Registered Notes may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar and Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a proxy) to act on his or its behalf in connection with any meeting.
- (b) Any proxy appointed pursuant to Subclause (a) shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting, to be the holder of the Registered Notes to which such appointment relates and the holders of the Registered Notes shall be deemed for such purposes not to be the holder.
- (c) Each form of proxy shall be deposited by the Registrar and Transfer Agent with the Issuer at its registered office not less than 24 hours before the time appointed for holding the meeting at which the proxy or proxies named in the form of proxy proposes to vote,

and in default form of proxy shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each form of proxy shall be deposited with the Issuer before the commencement of the meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such form of proxy.

- (d) Any vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy provided that no indication in writing of such revocation or amendment has been received from the holder thereof by the Issuer at its registered office by the time being 48 hours before the time appointed for holding the meeting at which the form of proxy is to be used.

### **3 CONVENING OF MEETINGS, QUORUM, ADJOURNED MEETINGS**

- 3.1 The Issuer may at any time and, if required in writing by Noteholders holding not less than 51.01 per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant Noteholders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Registrar and Transfer Agent of the day, time and place of the meeting and of the nature of the business to be transacted at the meeting.
- 3.2 At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Noteholders in the manner provided in the relevant terms and conditions of the Notes. The notice, which shall be in the English 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 or (ii) inform Noteholders that details of the voting arrangements are available free of charge from the Registrar and Transfer Agent, provided that, in the case of (ii) the final form of such details are so available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).
- 3.3 The person (who may but need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the Noteholders present shall choose one of their number to be chairman failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the meeting from which the adjournment took place.
- 3.4 At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 51 per cent. in nominal amount of the Notes for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the required quorum is present at the commencement of business.
- 3.5 If within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened by Noteholders be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday the next following business day) at the same time and place.
- 3.6 At any adjourned meeting one or more Eligible Persons present (whatever the nominal amount of the Notes so held or represented by them) shall form a quorum and shall have power to pass any resolution or any other resolution and to decide upon all matters which could properly have

been dealt with at the meeting from which the adjournment took place had the required quorum been present.

#### **4 CONDUCT OF BUSINESS AT MEETINGS**

- 4.1 Every question submitted to a meeting shall be decided by a poll. In the case of an equality of votes for any resolution which does not require any particular quorum, the resolution shall be deemed to be rejected.
- 4.2 The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- 4.3 Any poll on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 4.4 Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of the Issuer. Nothing contained in this Subclause 4.4 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, at any meeting, every Eligible Person present shall have one vote in respect of one Note.
- 4.6 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.
- 4.7 Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these provisions shall be binding upon all the Noteholders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Noteholders shall be published in accordance with the terms and conditions of the Notes by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.
- 4.8 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.

## Summary

### I. INTRODUCTION AND WARNINGS

#### **Introduction:**

1. Name of the securities offered under this base prospectus: Timberland Securities OptiMix B 4.25 % Notes 2019/2044 (the **Notes**); international securities identification number (ISIN) assigned to the Notes: not applicable, no ISIN has been assigned to the Notes (securities identification number (*Wertpapierkennnummer* – WKN): WKN TSR6BC)
2. Legal as well as commercial name of the issuer: Timberland Securities SPC (the **Issuer**)  
Contact details of the Issuer: Windward 1, Regatta Office Park, West Bay Road, P.O. Box 897, Grand Cayman KYI-1103, Cayman Islands (telephone number: +49 800 221 22 000 / fax number: +49 800 221 22 001)  
Legal Identifier (LEI) of the Issuer (acting for the Segregated Portfolio OptiMix B SP): 894500CATNK7ZQJXBL60
3. Competent authority approving this base prospectus: Liechtenstein Financial Market Authority (the **FMA**)  
Contact details of the FMA: Landstrasse 109, 9490 Vaduz, Principality of Liechtenstein (phone number: +423 236 73 73 / fax number: +423 236 73 74 / e-mail: [info@fma-li.li](mailto:info@fma-li.li))
4. Date of approval of the base prospectus: 4 December 2019

#### **Warnings:**

- The summary should be read as an introduction to the base prospectus.
- Any decision to invest in the securities should be based on a consideration of the base prospectus as a whole by the investor.
- An investor could lose all or part of the invested capital.
- Where a claim relating to the information contained in a base prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the base prospectus before the legal proceedings are initiated.
- Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the base prospectus, or where it does not provide, when read together with the other parts of the base prospectus, key information in order to aid investors when considering whether to invest in such securities.
- You are about to purchase a product that is not simple and may be difficult to understand.

### II. KEY INFORMATION ON THE ISSUER

#### **1. Who is the issuer of the securities?**

- a. Domicile and legal form of the issuer, its LEI, the law under which it operates and its country of incorporation

Timberland Securities SPC (LEI of the Segregated Portfolio OptiMix B SP: 894500CATNK7ZQJXBL60) is an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company under Part XIV of the Companies Law on 15 January 2015 and governed by the laws of the Cayman Islands. The Issuer is registered with the Cayman Islands Registrar of Companies under number MC-295591.

- b. Principal activities of the issuer

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.

- c. Major shareholders of the issuer (including whether it is directly or indirectly owned or controlled and by whom)

As of the date of the base prospectus, the only shareholder of the Issuer is Stichting Timberland V, a foundation (stichting) incorporated under the laws of the Kingdom of the Netherlands, with registered seat in Amsterdam, that holds all of the shares in the Issuer.

- d. Identity of the key managing directors of the issuer

The Issuer is managed by the members of its board of directors; the managing directors are Dirk Köster, Thomas Krämer, Anne-Marie Leadbetter and Philip Dickie.

- e. Identity of the statutory auditors of the issuer

The audit firm of the Issuer is MSW GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft.

## 2. What is the key financial information regarding the issuer?

The following tables set out selected financial information relating to the Issuer. The information has been extracted from the audited Report and Financial Statements of Timberland Securities SPC for the period from 1 July 2017 to 30 June 2018 as well as from the audited Report and Financial Statements of Timberland Securities SPC for the period from 1 July 2018 to 30 June 2019.

Income Statement

	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Operating profit/loss or another similar measure of financial performance used by the issuer in the financial statements	EUR (5,299,060.63)	EUR (926,400.16)

Balance Sheet

	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Net financial debt (long term debt plus short term debt minus cash)	EUR (8,822,602.03)	EUR (1,415,336.26)
Current ratio (current assets/current liabilities)	0.555585	0.070675
Debt to equity ratio (total liabilities/total shareholder equity)	285.58	46.45
Interest cover ratio (operating income/interest expense)	(419.58)	(67.75)

Cash Flow Statement

	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Net Cash flows from operating activities	EUR (2,000,046.08)	EUR (544,654.84)
Net Cash flows from financing activities	EUR 2,005,891.75	EUR 566,651.89
Net Cash flow from investing activities		0.00

### 3. What are the key risks that are specific to the issuer?

#### a. Risks related to the issuer's financial situation

*Risks in connection with the relevant segregated portfolios relating to the Notes:* Claims against the Issuer will be limited to the net assets of the relevant segregated portfolio. In case a segregated portfolio is liquidated, only its assets shall be applied in accordance with the Terms and Conditions (as defined below) of the Notes.

*Risks in connection with the Issuer qualifying as a special purpose vehicle:* The Issuer does not have any other business than the raising of money to acquire assets eligible to invest in.

*Risks relating to the limitation on payments:* Payments to be made by the Issuer under the Notes are expressly subject to availability of corresponding funds in a segregated portfolio and therefore, by subscribing the Notes, the Noteholders incur the risk that they will lose all or part of their investment in the Notes. Furthermore, the Notes are subject to a qualified subordination clause which also may limit payments right of the Noteholders.

*Risks in connection with senior ranking fees and expenses:* In connection with the Notes, Noteholders should note that certain amounts, including but not limited to amounts payable to any agents and service providers, rank senior to payments of any redemption monies under the Notes to the Noteholders.

*Risks in connection with the limited recourse and non-petition mechanism:* The rights of Noteholders to participate in the assets of the Issuer are limited to the assets of a relevant segregated portfolio in accordance with Part XIV of the Companies Law and the Terms and Conditions of the Notes. In particular, no party has the right to (i) petition for the winding up, the liquidation or the bankruptcy of the Issuer or (ii) apply for a receivership order under Section 224 of the Companies Law in respect of the relevant segregated portfolio of the Issuer as a consequence of any shortfall or to take any similar proceedings. Failure to make payment in respect of any shortfall shall in no circumstances constitute an event of default under the Terms and Conditions of the Notes.

#### b. Risks in connection with third parties

The Issuer is party to contracts with a number of third parties who have agreed to perform a number of services in relation to the Notes. If any such third party fails to perform its obligations under any relevant agreement, Noteholders may be adversely affected.

## III. KEY INFORMATION ON THE SECURITIES

### 1. What are the main features of the securities?

#### a. Type, class and ISIN

The Notes are unsecured limited recourse fixed rate notes. The Notes are issued in registered form. No international securities identification number (abbr. ISIN) has been assigned to the Notes is as follows. However, the securities identification number (*Wertpapierkennnummer* – WKN) assigned to the Notes is as follows: WKN TSR6BC.

The Notes will track the performance of an index to which the relevant Note is linked. The respective is the OptiMix B Index (the **Index**) which is composed of a cash component and a securities component and which will be calculated by Timberland Services Ltd. acting as the appointed index administrator. The cash component consists of a virtual non-interest bearing amount in Euro while the securities component consists of certain predefined underlyings (qualifying as limited recourse bonds, and together the **Underlying Securities**), weighted in accordance with the applicable strategy of the Index as set out as follows:

60 per cent.

20 per cent. of

20 per cent. of

of Equity Portfolio Limited  
Recourse Bonds

Bonds Portfolio Limited  
Recourse Bonds

Precious Metals Portfolio  
Limited Recourse Bonds

The Underlying Securities are limited recourse bonds to be issued by Timberland Investment SA.

- b. Currency, denomination, par value, the number of securities issued and the term of the securities

The Notes are issued in "Euro" and the denomination of each Note is EUR 1 (the **Nominal Amount**). The total amount of Notes to be issued is up to 500,000,000 (this corresponds to an aggregate principal amount of up to EUR 500,000,000). The maturity date of the Notes means the earlier of (i) the next business day after the full redemption of all Underlying Securities or (ii) 15 February 2044 (the **Maturity Date**).

- c. Rights attached to the securities

Based on terms and conditions of the Notes (the **Terms and Conditions**) the following rights are attached to the Notes:

*Interest payment:* Holders of Notes (the **Noteholders**) are entitled to distributions (interest). Thus, the Notes will bear interest from and including 30 January 2019 to, but excluding, the Maturity Date at a rate of 4.25 per cent. per annum, payable semi-annually (in arrears) on 15 May and 15 November in each year, commencing on 15 November 2019.

*Redemption at maturity:* Unless previously redeemed, or cancelled, the Notes will be redeemed on the Maturity Date at the redemption amount (the **Redemption Amount**).

Redemption Amount means the product of (A) the Nominal Amount, (B) 0.90 (the **Participation Factor**), and (C) the level of the OptiMix B Index (the **Index Level**) on a predefined valuation date and determined by the Timberland Fund Management Ltd. acting as calculation agent (the **Calculation Agent**).

*Early redemption at the option of the Issuer:* The Issuer may, prior to the Maturity Date, request the early redemption of all of its outstanding Notes on the early redemption date (the **Early Redemption Date**) subject to an event to have occurred (including tax events) and which has been defined in the Terms and Conditions. The Issuer will redeem each of the relevant Notes by paying the early redemption amount (the **Early Redemption Amount**).

Early Redemption Amount means the product of (A) the Nominal Amount, (B) Participation Factor, and (C) Index Level on a predefined valuation date and as determined by the Calculation Agent.

Early Redemption Date means a date, which is not later than the 10<sup>th</sup> Business Day after the issue of the notice by the Issuer informing Noteholders about the early redemption of the Notes.

*Early redemption at the option of the Noteholder:* Any Noteholder may, prior to the Maturity Date, request the early redemption of all or part of its outstanding Notes on the optional redemption date (the **Optional Redemption Date**). The Issuer will redeem each of the relevant Notes by paying the optional redemption amount (the **Optional Redemption Amount**).

Optional Redemption Amount means the product of (A) the Nominal Amount, (B) the Participation Factor, and (C) the Index Level on a predefined valuation date and as determined by the Calculation Agent.

Optional Redemption Date means 15<sup>th</sup> of each month of each calendar year, starting on 15 February 2026 falling after the expiry of a period starting on 30 January 2019 and ending on, and including, 15 February 2026.

*Early redemption in an event of default:* The Notes and the applicable Terms and Conditions provide for events of default entitling each Noteholder to demand immediate redemption of its Notes at the Optinal Redemption Amount.

d. Relative seniority of the securities in the issuer's capital structure in the event of insolvency

The obligations under the Notes constitute direct, unsecured and limited recourse obligations of the Issuer and rank pari passu and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse indebtedness of the Issuer, which has been or will be allocated to a segregated portfolio but in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation) claims under the Notes will rank after all other claims of any subordinated or unsubordinated creditor of the Issuer, only to the extent permitted by applicable laws relating to creditors' rights generally.

e. Restrictions on the free transferability of the securities

No Noteholder may require the transfer of a Note to be registered (i) after a notice relating to an event of default has been issued pursuant to Condition 9 of the Terms and Conditions or (ii) during the period of fifteen (15) days ending on the due date for any payment in respect of that Note. Furthermore, the Issuer shall not be required, in the event of an optional redemption of the Notes under Condition 5.4 of the Terms and Conditions, to register the transfer of Notes (or parts of Notes) during the period beginning on the twenty-fifth (25<sup>th</sup>) day before the Optional Redemption Date and ending on the Optional Redemption Date (both inclusive).

**2. Where will the securities be traded?**

Application may be made to list the securities on the MTF market (Dritter Markt) of the Vienna Stock Exchange and the MTF market of the Irish Stock Exchange, which are not regulated markets and on one or more organised trading facilities (OTF) each within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

**3. What are the key risks that are specific to the securities?**

*Market price risk:* A Noteholder is exposed to the risk of an unfavourable development of market prices of his Notes which materialises if the Noteholder sells the Notes prior to the Maturity Date of the Notes.

*Risks relating to the investment period:* Prospective investors should note that an investment in the Notes is depending on the relevant (minimum) investment period of the relevant Notes and thus constitutes a medium-term or a long-term investment with no certainty of return. A Noteholder may only receive any payment from the Issuer at the Maturity Date or predefined early redemption dates, which will/may occur after a considerable period of time from the date of acquiring the Notes.

*Commissions, fees and costs to be paid by the Issuer reduce the total amount of the net issue proceeds:* Distribution commissions or other similar fees charged by the Issuer's Distribution Agents (as defined below) and other fees and costs (including as applicable arranging fees and arranger prefunded amounts) reduce the total amount of the net issue proceeds. Therefore, the issue proceeds available to the Issuer for the purpose of investing in the assets prescribed in the base prospectus may be reduced accordingly.

*Risks relating to loan-financed investments:* In case of financed investments in the Notes, a potential investor should not rely on the fact that the income generated by an investment in the Notes will suffice to repay the loan itself and the interest thereon.

*Risks in connection with the taxation regimes:* Noteholders may be subject to the applicable national taxation regime that may affect the outcome of the investment in the Notes.

*Liquidity risk:* Regardless of whether the Notes are listed or not, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. In an illiquid market, an investor is subject to the risk that the investor will not be able to sell his Notes at any time at fair market prices. Moreover, the possibility to sell the Notes may additionally be restricted by country specific reasons. In addition, Noteholders should be

aware that the Issuer has no influence on the suspension, interruption, or termination of trading in the Notes (other than where trading in the Notes is terminated upon the Issuer's decision), and Noteholders bear the risks connected with any trading suspension, interruption or termination.

#### IV. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

##### 1. Under which conditions and timetable can I invest in this security?

###### a. Terms and conditions of the offer

###### (aa) Conditions of the offer

*Offer of Notes:* The total amount of Notes to be issued is up to 500,000,000. Hence, the aggregate principal amount of the issuance is up to EUR 500,000,000.

*Issue Price:* During the Offer period, the Issuer will offer and sell the Notes at the applicable subscription prices. The subscription price in respect of the Notes will correspond to the (i) product of (A) the Nominal Amount and (B) the Index Level on the relevant subscription date and (ii) plus a commission of up to 5% of based on the product as calculated under (i) (which is the product of (A) the Nominal Amount and (B) the Index Level on the relevant subscription date) per Note.

*Offer to the public:* Non-exempt offers may be made in the Republic of Austria, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Principality of Lichtenstein, the Grand Duchy of Luxembourg, the Republic of Malta, and the United Kingdom of Great Britain and Northern Ireland.

*Applicable minimum amount of application:* Investors have to place orders in an amount of at least EUR 1. Notwithstanding the applicable minimum amount, investors may place offers exceeding the minimum amount to purchase Notes in any higher amount subject to a minimum denomination of EUR 1; thus, a maximum amount of application does not apply.

*Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:* It is not possible to reduce subscriptions in connection with placed orders.

*Other conditions to the offer:* Except as stated in the base prospectus, no further conditions apply to the offer.

###### (bb) Technical details of the offer

*Manner and date in which results of the offer are to be made public:* The results of the offer are to be made public ten working days after closing of the subscription.

*Method and time limits for paying up the Notes and for delivery of the Notes:* The delivery of the Notes shall be made payment on 4 December 2019 or any other subsequent date following an investors' application. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor's application.

###### b. Timetable for the offer

*Offer Period:* Under the previous Base Prospectus dated 05 December 2018 the offer period started initially on 30 January 2019. The offer period accordance with this Base Prospectus started on 04 December 2019 and will finish on 03 December 2020 or, in case the Issuer continues the offer period for the Notes after expiry of the period of validity of this Base Prospectus under one or more succeeding Base Prospectus, on 15 February 2044 (the **Offer Period**) at the latest. The Issuer reserves the right for any reason to close the Offer Period at any time.

*Subscription Period:* The subscription period starts on 04 December 2019 and will finish on 03 December 2020 (5:00 p.m. local time) or, in case the Issuer continues the subscription

period for the Notes after expiry of the period of validity of this Base Prospectus under one or more succeeding Base Prospectus, on 15 February 2044 at the latest.

c. Expenses

The total expensed of the issue and/or offer range (subject to the total amount of Notes issued) between EUR 0 and EUR 76,000,000. There will be no expenses charged to the investor by the Issuer.

**2. Why is this base prospectus being produced?**

a. Use and estimated net amount of the proceeds

The estimated net proceeds in connection with the issuance and sale of the Notes amount to up to EUR 76,000,000. The Issuer intends to use the net proceeds stemming from the Notes to invest in assets that are suitable to ensure full and punctual payment under the Notes. The Issuer may but shall not be obliged to directly, indirectly, or synthetically invest in the Underlying Securities issued by Timberland Investment SA or any successor of Timberland Investment SA. The Issuer is free to use the proceeds as it wishes.

b. Indication of whether the offer is subject to an underwriting agreement on a firm commitment basis, stating any portion not covered

Not applicable. The offer of the Notes is not underwritten (neither by way of a firm commitment nor on the basis of a best-effort agreement).

c. Indication of the most material conflicts of interest pertaining to the offer or the admission to trading

Timberland Capital Management GmbH and Timberland Invest Ltd (the **Distribution Agents**) will receive customary fees and commissions in connection with the sale and distribution of the Notes. There are no interests of natural and legal persons other than the Distribution Agents involved in the issue, including conflicting ones that are material to the issue.