

True Sale GmbH – Securities Note dated 31 August, 2018.

In respect of a **Listing on the Institutional Financial Securities Market of
142 interest-bearing bonds**
named **True Sale Junior Bond 6/17-12/21**
and having a Denomination *per unit* of €100,000
ISIN AT0000A1WBL7

by

TRUE SALE GMBH

A COMPANY WITH LIMITED LIABILITY (*GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG*)
INCORPORATED UNDER THE LAWS OF AUSTRIA
WITH COMPANY REGISTRATION NUMBER FN 396304A

THE SECURITIES OFFERED ARE COMPLEX FINANCIAL INSTRUMENTS AND ARE NOT SUITABLE FOR RETAIL INVESTORS. THE SECURITIES ARE INVESTMENTS INTENDED SOLELY FOR 'PROFESSIONAL INVESTORS' BEING INVESTORS WHO OR WHICH MEET THE CRITERIA LAID DOWN IN ANNEX II OF DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS ("MIFID"), AND SHALL NOT BE REPACKAGED OR SOLD TO RETAIL INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS:

- I. S/HE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT;**
- II. THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR;**
- III. SUCH POTENTIAL INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES.**

IMPORTANT INFORMATION

This document constitutes a Securities Note within the terms of Directive 2003/71/EC (the "**Prospectus Directive**") of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended by Directive 2008/11/EC of the European Parliament and of the Council of 11 March 2008, Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010, Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013, and Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014).

This Securities Note contains information relating to one hundred and forty two (142) interest-bearing bonds (the "**Securities**") named True Sale Junior Bond 6/17-12/21 and having a Denomination of one hundred thousand Euros (€100,000) each, which were issued by True Sale GmbH (the "**Issuer**") on 9 June, 2017.

This Securities Note has been prepared in accordance with the requirements of Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended by Commission Regulation (EC) No 1787/2006 of 4 December 2006, Commission Regulation (EC) No 211/2007 of 27 February 2007, Commission Regulation (EC) No 1289/2008 of 12 December 2008, Commission Delegated Regulation (EU) No 311/2012 of 21 December 2011, Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No 621/2013 of 21 March 2013, and Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No 382/2014 of 7 March 2014, and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015).

This Securities Note should be read in conjunction with the Registration Document dated 31 August, 2018, and containing information about the Issuer. Together, this Securities Note and the Registration Document form a Prospectus.

A copy of this Securities Note has been submitted to the Listing Authority and to the IFSM in satisfaction of the Listing Rules. This Securities Note has been approved by the Listing Authority (meaning the MFSA acting in its capacity as Listing Authority in terms of the Financial Markets Act) as competent authority under the Prospectus Directive. The Listing Authority only approves this Securities Note as meeting the disclosure requirements imposed under European Union law pursuant to the Prospectus Directive.

Application has been made for the Securities (one hundred and forty two (142) units having a Denomination of one hundred thousand Euros (€100,000) each) to be approved by the Listing Authority for admissibility to listing and trading on the IFSM, a regulated market supervised by the Listing Authority.

This Securities Note has been approved by the Listing Authority as a securities note issued in compliance with the Prospectus Directive for the purpose of giving information relating to the Securities. **The Listing Authority accepts no responsibility for the contents of this Securities Note, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from, or in reliance upon, the whole or any part of the contents hereof.**

Statements made in this Securities Note are, except where otherwise stated, based on the law and practice currently in force in Austria (in respect of statements relating to the Securities, which have been issued in terms of and are governed by Austrian law) and in Malta (in respect of statements relating to the approval of this Securities Note by the Listing Authority and the listing of the Securities on the IFSM in Malta or insofar as relates to the compliance of such statements with the requirements of the Prospectus Directive as

transposed into Maltese law) and are subject to changes therein.

The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Austria in connection with the issue of the Securities. The Issuer has also obtained all necessary consents, approvals and authorisations (if any) which are necessary in Austria and in Malta in connection with the listing of the Securities on the IFSM. The issue of this Securities Note was authorised by a resolution of the Directors approved on 24 July, 2018.

The Securities have not been and will not be approved by the US Securities and Exchange Commission, any State securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Securities or the accuracy or adequacy hereof. Any representation to the contrary is a criminal offence in the United States.

The Issuer shall effect payment of any Redemption Amount and/or Interest only if and to the extent that the Issuer has sufficient liquidity to effect the relevant payment at the time it becomes due. The Issuer may become insolvent or bankrupt or may otherwise default on its obligation or be unable to pay the Redemption Amount and / or Interest as the same may fall due pursuant to this Securities Note. Any amount received by Investors in such circumstances will be less (even substantially less or zero) than the Redemption Amount and / or Interest accrued and less (even substantially less or zero) than their original investment and/or expected return on their investment, in which case Investors will lose some or all of their original investment and/or expected return on their investment. If the Issuer does not have sufficient funds for the final and full settlement of the claims of Investors, the Issuer will not be liable for any shortfalls. Investing in the Securities involves certain risks and Investors should fully understand these before they invest. See the section entitled 'Risk Factors' herein for a discussion of certain factors to be considered in connection with an investment in the Securities.

Investors shall not be entitled to petition or take any other step for the winding-up, liquidation or bankruptcy of the Issuer, or any similar insolvency related proceedings pursuant to section 67(3) of the Austrian Insolvency Order (*Insolvenzordnung*). If an Investor makes an application for the dissolution of the Issuer, insolvency proceedings against the assets of the Issuer, or the institution of similar proceedings aimed at liquidating the Issuer, or if an Investor joins such application made by a third party, such Investor will *ipso jure* lose all rights under the Securities.

No broker, dealer, salesman or other person has been authorised by the Issuer to publish or issue any advertisement or to give any information or to make any representations in connection with the Securities other than as contained in the Prospectus and in the documents referred to herein. Any such information given or representation made must not be relied upon as having been authorised by the Issuer.

The Directors confirm that none of the information included in this Securities Note has been sourced from a third party.

The Prospectus does not constitute and may not be used for purposes of an offer or invitation to subscribe for or otherwise acquire the Securities by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

It is the responsibility of any person in possession of the Prospectus or any document issued in connection herewith to inform themselves of, and to observe and comply with all applicable laws and regulations of any relevant jurisdiction. Investors should inform themselves as to the legal requirements of acquiring or holding any such Securities and any applicable exchange control restrictions or requirements and taxes in their country of residence, domicile and/or nationality. Neither the delivery of the Prospectus, nor any sale of Securities pursuant thereto, shall create any impression that information therein relating to the Issuer is correct at any time subsequent to the date hereof (the foregoing being without prejudice to the Issuer's obligations under applicable rules and

regulations).

None of the advisors or any person mentioned in this Securities Note, other than the Issuer and its Directors, shall be responsible for the information contained in the Prospectus, in any supplement, and in any documents incorporated by reference, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons, other than the Issuer and its Directors, accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

The Directors accept responsibility for the information contained in this Securities Note. The Directors confirm that, to their best of their knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Securities Note is in accordance with the facts and contains no omission likely to affect the import of such information.

All and any advisors to the Issuer have acted and are acting exclusively for the Issuer in relation to this Securities Note and such advisors have no contractual, fiduciary or other obligation or responsibility towards any other person generally and will accordingly not be responsible to any Investor or any other person whomsoever in relation to the contents of and any information contained in this Securities Note, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Securities Note acknowledges that such person has not relied on any of the abovementioned advisors in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own evaluation of the Issuer and the Securities and the merits and risks involved in investing in and holding the Securities.

This Securities Note is not and does not purport to represent investment advice.

All capitalised terms used will be defined in this Securities Note.

REPRESENTATIONS & WARRANTIES

By accepting the Prospectus, each Investor or prospective Investor confirms, acknowledges, represents and warrants that:

- (i) it has received, carefully read and fully understands the terms set out in the Prospectus and also understands the organization of the Issuer and its business and, in making a decision to acquire and/or hold the Securities, it has relied solely upon the Prospectus and independent investigations made by it;
- (ii) it understands that it is not anticipated that there will be any secondary market for the Securities and that it must, therefore, bear the economic risk of any investment in the Securities;
- (iii) it has not subscribed for or acquired Securities as a result of or subsequent to an offer of the Securities to the public within the meaning of the Prospectus Directive;
- (iv) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Securities and is able to bear such risks and has obtained, in its judgment, sufficient information from the Issuer or its authorized representatives to evaluate the merits and risks of such investment;
- (v) it has evaluated the risks of investing in the Securities and has determined that the Securities are a suitable investment for it;
- (vi) it is not relying on the Issuer or its Directors, officers, affiliates or advisors with respect to tax and other regulatory or economic considerations involved in this investment;
- (vii) it has been (and is hereby) advised to consult with its own attorney regarding legal matters concerning the Securities and to consult with an independent tax adviser regarding the tax consequences to it of purchasing and owning the Securities;
- (viii) that it has not been furnished with any oral or written representation in connection with any Securities which is not contained herein;
- (ix) it has not and shall not reproduce, duplicate or deliver this or any ancillary document to any other person except professional advisers to it;
- (x) all and any advisors to the Issuer have acted and are acting exclusively for the Issuer in relation to the Prospectus and such advisors have no contractual, fiduciary or other obligation or responsibility towards the Investor or any other person generally and will accordingly not be responsible to the Investor or any other person whomsoever in relation to any transactions contemplated or proposed in the Prospectus;
- (xi) it is responsible to satisfy itself as to the full observance of the laws of any relevant territory in which it resides or is domiciled, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes or dues required to be paid in such territory.

The above representations and warranties shall be construed as forming part of the Terms & Conditions set out in section 5 of this Securities Note.

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1. DEFINITIONS

In this Securities Note, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

"Agents"	The Paying Agent and the Listing Agent.
"Business Day"	A day when banks in Austria are open for the transaction of normal banking business.
"CSD"	Oesterreichische Kontrollbank CSD GmbH, a company with limited liability (<i>Gesellschaft mit beschränkter Haftung</i>) registered in Austria with registration number FN 428085m.
"CSD Rules"	The rules and procedures governing the provision of services by the CSD to the Issuer in relation to the Securities, as updated from time to time.
"Currency"	Euro (€).
"Denomination"	One hundred thousand Euros (€100,000) per Security.
"Directors"	The directors for the time being of the Issuer.
"Early Redemption Date"	The last Business Day of each of the months of March, June, September and December of each year prior to the Maturity Date, on which, at the sole option of the Investor, the Investor shall be entitled to redeem any or all of its Securities pursuant to the provisions of section 5.11 of this Securities Note, and the term " Early Redemption " shall be construed accordingly.
"Financial Markets Act"	The Financial Markets Act, Chapter 345 of the laws of Malta.
"IFSM"	The Institutional Financial Securities Market, a regulated market for the purposes of MiFID that is authorised and supervised by the MFSA.
"Interest"	Shall have the meaning given to it in section 5.10 of this Securities Note.
"Investor"	A person holding Securities.
"ISIN"	The International Security Identification Number of the Securities, namely, AT0000A1WBL7.
"Issue Date"	9 June, 2017.
"Issue Price"	One hundred thousand Euros (€100,000) per Security.
"Issuer"	True Sale GmbH, a company with limited liability (<i>Gesellschaft mit beschränkter Haftung</i>) registered in Austria with registration number FN 396304a.
"Listing Agent"	Integra Private Wealth Limited, having its registered office at 228 Tower Road, Sliema SLM 1601, Malta.
"Listing Authority"	The MFSA acting in its capacity as Listing Authority in terms of the Financial Markets Act.

"Listing Rules"	The Listing Rules for Wholesale Securities Markets issued by the Listing Authority (as may be amended from time to time) setting out, <i>inter alia</i> , the procedures, formalities and requirements prescribed in connection with a listing on the IFSM.
"Maturity Date"	31 December, 2021, being the date on which the Securities shall be redeemed in terms of this Securities Note unless the Securities are redeemed earlier on an Early Redemption Date in accordance with this Securities Note.
"MFSA"	The Malta Financial Services Authority as duly constituted and established pursuant to the Malta Financial Services Authority Act, Chapter 330 of the laws of Malta.
"MiFID"	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.
"Paying Agent"	Semper Constantia Privatbank AG, a public limited company (<i>Aktiengesellschaft</i>) registered in Austria with registration number FN 330441v.
"Prospectus"	The Registration Document together with this Securities Note.
"Prospectus Directive"	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended by Directive 2008/11/EC of the European Parliament and of the Council of 11 March 2008, Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010, Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013, and Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014).
"Prospectus Regulation"	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended by Commission Regulation (EC) No 1787/2006 of 4 December 2006, Commission Regulation (EC) No 211/2007 of 27 February 2007, Commission Regulation (EC) No 1289/2008 of 12 December 2008, Commission Delegated Regulation (EU) No 311/2012 of 21 December 2011, Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No 621/2013 of 21 March 2013, and Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013,

Commission Delegated Regulation (EU) No 382/2014 of 7 March 2014, and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015).

"Redemption Amount"	Shall be equivalent to the Denomination of each Security (that is, one hundred thousand Euros (€100,000) per Security) and shall be payable by the Issuer to Investors on the Maturity Date or on an Early Redemption Date, as the case may be, subject to this Securities Note.
"Redemption Notice"	The notification form which shall be made available to Investors and which is to be completed and duly executed by an Investor for submission to the Issuer in order to request an Early Redemption.
"Registration Document"	The registration document issued by the Issuer dated 31 August, 2018, and forming part of the Prospectus.
"Securities"	The one hundred and forty two (142) interest-bearing bonds named True Sale Junior Bond 6/17-12/21 and having a Denomination of one hundred thousand Euros (€100,000) each, which were issued by the Issuer on 9 June, 2017, and which shall be listed on the IFSM as further provided in this Securities Note.
"Securities Act"	The US Securities Act, 1933.
"Securities Note"	This Securities Note as issued by the Issuer and as may be amended from time to time.
"Senior Bonds"	The one hundred and forty two (142) interest-bearing bonds named True Sale Senior Bond 6/17-12/21 and having a denomination per bond of one hundred thousand Euros (€100,000) which were issued by the Issuer on 9 June, 2017, and which have been listed on the IFSM pursuant to a securities note dated 31 August, 2018.
"Terms & Conditions"	The terms and conditions regulating the Securities as set out in this Securities Note in the section entitled 'Terms & Conditions'.
"US"	The United States of America.
"US Person"	As defined in Regulation S of the Securities Act.

A reference to a 'person' in the Prospectus includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality).

A reference in the Prospectus to a provision of law is a reference to that provision as amended or re-enacted.

References in the Prospectus to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

2. RISK FACTORS

AN INVESTMENT IN THE SECURITIES INVOLVES CERTAIN RISKS INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED BELOW.

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND THOSE RISKS RELATING TO THE ISSUER DISCLOSED IN THE REGISTRATION DOCUMENT AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE OR OTHERWISE RETAIN AN INVESTMENT IN THE SECURITIES. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE VALUE, YIELD, MARKETABILITY, PAYMENTS AND OTHER CHARACTERISTICS OF THE SECURITIES AND/OR ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR ANY OF ITS ADVISORS OR THE LISTING AGENT THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE AND/OR HOLD ANY SECURITIES.

THE RISKS AND UNCERTAINTIES DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL AS AT THE DATE HEREOF, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES AFFECTING THE SECURITIES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF OR DO NOT DEEM MATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE SECURITIES, INVESTORS' RIGHTS THEREUNDER AND/OR THE PERFORMANCE OF THE ISSUER.

ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE AND IN THE PROSPECTUS BEFORE INVESTING IN THE SECURITIES. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISKS MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

2.1 FORWARD-LOOKING STATEMENTS

This Securities Note includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including but not limited to the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Issuer and/or the Directors. There can be no assurance that the results and events contemplated by the forward-looking statements contained herein will occur.

Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Issuer's control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The value, yield, marketability, repayment and other

matters affecting the Securities and the Issuer's actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this Securities Note. In addition, even if these matters affecting the Securities and/or the results of operations and financial condition of the Issuer are consistent with the forward-looking statements contained in this Securities Note, those matters, results or developments may not be indicative of matters, results or developments in subsequent periods.

Subject to its legal and regulatory obligations (including those under the Listing Rules), the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

2.2 GENERAL

The value of investments can go up or down and past performance is not necessarily indicative of future performance.

2.3 LIQUIDITY RISK

There is currently no market for the Securities and, notwithstanding that the Securities shall be admitted to listing and trading on the IFSM, there can be no assurance that any secondary market for the Securities will develop or, if a secondary market does develop, that it will provide Investors with sufficient liquidity of investment or that it will continue for the life of the Securities.

Even if a secondary market for the Securities does develop, it is not possible to predict the prices at which the Securities will trade in such secondary market.

The Issuer is under no obligation to make a market in the Securities. Therefore, Investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

No assurance is given that the Securities shall remain listed indefinitely.

A lack of liquidity in the secondary market for the Securities may have a severely adverse effect on the market value of the Securities and may result in Investors: (i) being unable to sell their Securities on the secondary market; or (ii) receiving less than the initial price paid for the Securities.

The liquidity of the Securities may also be affected by other risk factors and also by restrictions on offers and sales of such Securities in some jurisdictions.

2.4 NO ASSURANCE OF FUTURE PRICE LEVEL OF SECURITIES

The Issuer cannot provide any assurance as to the future price level of the Securities. Securities may trade at a discount or premium from their Issue Price. In addition to the Issuer's creditworthiness, many other factors may affect the trading market for, and market value of, the Securities. These factors include general economic conditions and the performance and prospects of the Issuer.

2.5 MARKET RISK

The Securities and the value thereof will depend on various factors and risks affecting the Issuer as further outlined in this Securities Note and in the Registration Document. The value of the Securities will also depend on general fluctuations in the bond market. There can be no assurance that the Securities will appreciate in value or will not depreciate in value or that the Issuer will generate the expected returns necessary for the Issuer to meet its obligations to the Investors.

2.6 SECURITIES NOT SECURED OR GUARANTEED

Obligations of the Issuer under the Securities (including payment of the Redemption Amount and

Interest) will not be guaranteed or secured, and Investors will not have a lawful right of preference to obtain payment out of assets of the Issuer over other creditors.

The Securities are subordinated to the claims of all holders of the Senior Bonds. As such, the Securities rank after the obligations of the Issuer under the Senior Bonds. Subordination means that the rights and claims of Investors in respect of the payment of the Redemption Amount and Interest will rank after the claims of the holders of the Senior Bonds for the repayment of any principal and interest thereon and, accordingly, the claims of Investors will not be repaid until all claims of the holders of the Senior Bonds outstanding at the time have been settled. This risk is further aggravated if there are other creditors (that is, apart from the holders of the Senior Bonds) of the Issuer, whose debts must be satisfied out of the same assets, especially if their claims against the Issuer are secured over such payments or otherwise rank in priority to those of Investors. Security interests may be created in favour of third parties by agreement, operation of law and/or otherwise without the active participation and beyond the control of the Issuer.

In addition, Investors shall not be entitled to petition or take any other step for the winding-up, liquidation or bankruptcy of the Issuer, or any similar insolvency related proceedings pursuant to section 67(3) of the Austrian Insolvency Order (*Insolvenzordnung*). If an Investor makes an application for the dissolution of the Issuer, insolvency proceedings against the assets of the Issuer, or the institution of similar proceedings aimed at liquidating the Issuer, or if an Investor joins such application made by a third party, such Investor will *ipso jure* lose all rights under the Securities.

2.7 CREDIT RISK AND ISSUER DEFAULT

This is the risk for the Investors that the Issuer may default on its obligation or be unable to pay the Redemption Amount on the Maturity Date or the Early Redemption Date, as the case may be, and / or any Interest on any date on which it may fall due. Any amount received by Investors in such circumstances will be less (even substantially less or zero) than the Redemption Amount and / or Interest accrued and less (even substantially less or zero) than their original investment and/or expected return on their investment.

This default may be occasioned by various factors, including the risks which are inherent in the Issuer's business. The business focus of the Issuer is to acquire receivables which are payable by companies and other entities conducting business, operating or otherwise involved in the heavy industry sector, and to refinance its business via loans, bonds and other financing instruments. The Issuer seeks to derive its profits from the positive margin of the interest which would be payable to the Issuer in relation to receivables acquired by the Issuer as aforesaid on the one hand, and the interest which would be payable by the Issuer to its lenders, bondholders or other financing creditors from time to time on the other hand. The Issuer is subject to the risk that it carries out or otherwise procures and obtains an incorrect or inaccurate valuation of a receivable prior to its acquisition by the Issuer in the course of its business. In addition, any risk assessment carried out or otherwise procured by the Issuer in relation to a prospective receivable and its payor may likewise be incorrect, flawed, inaccurate or may otherwise not reveal or give a full appreciation to the Issuer of all the risks inherent in the acquisition by the Issuer of the relevant receivable. Furthermore, the Issuer may fail to efficiently and effectively monitor the financial, credit, business and operational status, situation and risks of the relevant payor and its ability and capacity to effect payment of the relevant receivable and interest thereon to the Issuer. Should any of the risks outlined above materialise, the Issuer may acquire/hold a receivable whose payor is likely to default in effecting payment to the Issuer of a part of the, or even the entire, principal amount of the relevant receivable and/or any interest thereon. The success of the Issuer is also connected to the overall performance of heavy industry-related operations and businesses. Heavy industry and related operations and businesses may be disrupted due to political strife and other factors, such as economic sanctions, embargoes and similar restrictive measures, as well as market downturns in supply and demand, whether cyclical, economic or seasonal, that may impact significantly on the industry and, ultimately, on the ability of the Issuer to recover payments from relevant counterparties, that is, the payors of receivables acquired by the Issuer in the course of its business.

The Issuer is also exposed to various business, operational, counterparty, liquidity, concentration and other risks as are disclosed in the Registration Document.

In light of the above, there can be no assurance that there will be sufficient funds received by or available to the Issuer to enable the Issuer to make payments of the Redemption Amount and / or Interest. This risk is further aggravated if there are other creditors of the Issuer, especially if their claims against the Issuer are secured, guaranteed or otherwise rank in priority to those of holders of the Securities, as further outlined and described in section 2.6 of this Securities Note.

The exercise by an Investor of its entitlement to request an Early Redemption of its Securities and the payment by the Issuer to the redeeming Investor of the Redemption Amount and Interest due on such redeemed Securities, may substantially and negatively affect the Issuer's future ability to effect payments of the Redemption Amount on subsequent Early Redemption Dates or on the final Maturity Date, as the case may be, and / or of any Interest as the same may fall due.

Changes in the perceived ability of the Issuer to make payments under the Securities or in the perceived solvency or financial condition of the Issuer may also affect the Securities' market value.

Credit risk includes but is not limited to default risk, counterparty risk, cross border (or transfer) risk and credit concentration risk.

2.8 NO RATING

The Issuer does not intend to request any rating of the Securities, whether by an internationally recognized rating agency or otherwise. The lack of a rating may adversely affect the transfer of the Securities.

2.9 SUSPENSION OR DISCONTINUATION OF LISTING

Even after the Securities are admitted to listing and trading on the IFSM, the Issuer is required to remain in compliance with certain on-going requirements in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Securities if, *inter alia*, it determines that such action is required for the protection of Investors or of the integrity or reputation of the market. The Listing Authority may also discontinue the listing of the Securities on the IFSM. Any trading suspension or listing discontinuation described above could have a material adverse effect on the liquidity and value of the Securities.

2.10 GENERAL TAX AND LEGAL RISKS

No assurance may be given that the manner in which the Securities have been structured or are held will be tax efficient for any particular Investor. Investors should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp duties or any other kind of tax on payments, proceeds or gains (whether or not realized) which are received or made or deemed to be received or made by them from the Securities according to the laws and practices of the country where the Securities are issued, purchased, sold, held or redeemed and/or in the country of residence or nationality of the Investor.

The tax consequences to the Issuer and/or any Investor are subject to adverse change through legislative, judicial, administrative or regulatory action in the various applicable jurisdictions. There can be no guarantee that income tax and other fiscal legislation and laws or regulations governing the Issuer's and/or any Investor's operations and investments will not be changed in a manner that may adversely affect the same. The effect of such changes, while impossible to predict, could be substantial and adverse.

The terms and conditions of the Securities are based on the law and practice currently in force in Austria (in respect of statements relating to the Securities, which have been issued in terms of and are governed by the laws of Austria), and in Malta (in respect of statements relating to the approval of this Securities Note by the Listing Authority and the listing of the Securities on the IFSM in Malta or insofar as relates to the compliance of such statements with the requirements of the Prospectus Directive as transposed into Maltese law) and are subject to changes therein. No assurance can be given as to the impact of any possible judicial decision or change in Austrian or Maltese law or

administrative practice after the date of the Prospectus.

2.11 LIABILITY FOR THE SECURITIES

The Securities are an obligation of the Issuer only and do not establish any liability or other obligation of any other person mentioned in the Prospectus, including but not limited to the Listing Agent, the Paying Agent and / or any of the Issuer's other advisors and service providers.

2.12 ISSUE OF FURTHER SECURITIES

If additional securities with the same characteristics are subsequently issued, either by the Issuer or another issuer, the supply of securities with such characteristics in the primary and secondary markets will increase and may cause the price at which the Securities trade in the secondary market to decline.

2.13 EXCHANGE RATES

An investment in the Securities may involve exchange rate risks. For example:

- (i) the Securities are denominated in Euro but the Euro may not be the currency of an Investor's home jurisdiction; and/or
- (ii) the Securities are denominated in Euro but the Euro may not be the currency in which an Investor wishes to receive funds.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities.

2.14 LEGALITY OF PURCHASE

No person (including the Issuer) has or assumes responsibility for the lawfulness of the acquisition of Securities by an Investor, whether under the laws of the jurisdiction of its incorporation or residence or the jurisdiction in which it operates (if different), or for compliance by that Investor with any law, regulation or regulatory policy applicable to it.

2.15 POTENTIAL CONFLICTS OF INTEREST

Potential conflicts of interest arising in the context of the transactions contemplated in this Securities Note are highlighted and addressed in the immediately succeeding section 3 of this Securities Note.

3. POTENTIAL CONFLICTS OF INTEREST

The Issuer is not affiliated to any Agent. Nor does any Director hold shares in and/or any appointment to the board of directors or any other administrative, management or supervisory body of any Agent.

The Agents, along with their respective affiliates, whether by virtue of the types of relationships described herein or otherwise, may acquire non-public information with respect to the Issuer that is or may be material in the context of the Securities. None of the Agents, along with their respective affiliates, undertakes to disclose any such information to any Investor.

In addition, subject always to their regulatory or other obligations in performing each or any role or function, the Issuer, its affiliates, the Directors and the Agents shall not act on behalf of, or accept any duty of care or any fiduciary duty to, any Investor. The Issuer and each of its affiliates, the Directors and each Agent will pursue actions and take steps that they deem appropriate to protect their respective interests without regard to the consequences for the Investors or any other person.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY SECURITIES. YOU SHOULD ALSO READ CAREFULLY THE INFORMATION SET OUT ELSEWHERE IN THE PROSPECTUS (INCLUDING ANY DOCUMENTS INCORPORATED BY REFERENCE) AND REACH YOUR OWN VIEWS (TAKING SUCH ADVICE AS YOU THINK NECESSARY AND APPROPRIATE) BEFORE YOU INVEST IN THE SECURITIES.

4. GENERAL INFORMATION

4.1 OVERVIEW

The issue of the Securities was approved by the shareholders of the Issuer on 1 June, 2017. The Issue Date of the Securities was 9 June, 2017.

The aggregate principal amount of Securities issued as aforesaid is fourteen million, two hundred thousand Euros (€14,200,000) divided into one hundred and forty two (142) units having a Denomination per unit of one hundred thousand Euros (€100,000) and, accordingly, the offer of the Securities did not constitute an 'offer of securities to the public' within the meaning of the Prospectus Directive.

The Securities are debt securities which constitute the Issuer as the true and lawful debtor for the principal (that is, the Redemption Amount) and Interest in favour of the Investors.

The Securities create, acknowledge and represent the indebtedness of the Issuer to the Investors and the entitlement of the Investors to receive payment of the Redemption Amount and Interest from the Issuer, as further described in and subject to the Terms & Conditions.

The Securities were issued in bearer form.

The Issuer has not granted any guarantee or security over its own assets for the repayment of the Redemption Amount and Interest. Nor has any third party granted any guarantee or security over his / its assets for the repayment of the Redemption Amount and Interest.

THE SECURITIES CONSTITUTE THE GENERAL, DIRECT AND UNSECURED OBLIGATIONS OF THE ISSUER. THE SECURITIES ARE SUBORDINATED TO THE CLAIMS OF ALL HOLDERS OF THE SENIOR BONDS. AS SUCH, THE SECURITIES RANK AFTER THE OBLIGATIONS OF THE ISSUER UNDER THE SENIOR BONDS. SUBORDINATION MEANS THAT THE RIGHTS AND CLAIMS OF INVESTORS IN RESPECT OF THE PAYMENT OF THE REDEMPTION AMOUNT AND INTEREST WILL RANK AFTER THE CLAIMS OF THE HOLDERS OF THE SENIOR BONDS FOR THE REPAYMENT OF ANY PRINCIPAL AND INTEREST THEREON AND, ACCORDINGLY, THE CLAIMS OF INVESTORS WILL NOT BE REPAID UNTIL ALL CLAIMS OF THE HOLDERS OF THE SENIOR BONDS OUTSTANDING AT THE TIME HAVE BEEN SETTLED. THE SECURITIES SHALL AT ALL TIMES RANK *PARI PASSU*, WITHOUT ANY PRIORITY OR PREFERENCE AMONG THEMSELVES AND, SAVE FOR THE SENIOR BONDS AND OTHER PRIOR RANKING CLAIMS AND SUCH EXCEPTIONS AS MAY BE PROVIDED BY APPLICABLE LAW, WITH ALL OTHER OUTSTANDING AND UNSECURED OBLIGATIONS OF THE ISSUER, PRESENT AND FUTURE.

The Securities shall be redeemable by the Issuer on the Maturity Date, subject to the Investors' entitlement to redeem part or all of their Securities on an Early Redemption Date, on such terms specified in section 5.11 of this Securities Note.

The Securities are governed by this Securities Note and by the laws of Austria under which they have been created and issued.

The Securities have ISIN number AT0000A1WBL7.

Application has been made for the Securities to be admitted to listing and trading on the IFSM. The admission date of the Securities is expected to be the same as the date of approval of this Securities Note by the Listing Authority.

4.2 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The net proceeds of the issue of the Securities were used by the Issuer to acquire a loan receivable in the principal amount of twenty eight million Euros (€28,000,000), which is repayable by CLT Holding AG, a company registered in Switzerland and having its registered office situated at Pilatusstrasse 28, CH-6052 Hergiswill, Switzerland. The aforementioned loan bore interest at the rate of two point six

one five per cent (2.615%) per annum during the period commencing on 22 December 2016 and ending on 31 December 2017. With effect on and from 1 January 2018 until its maturity, the said loan bears interest at the rate of two point five per cent (2.5%) per annum. The aforementioned interest is payable by CLT Holding AG to the Issuer yearly in arrears. In addition, the principal amount of the loan shall be repayable by CLT Holding AG to the Issuer by 31 December 2021. A copy of the agreement formalising the aforementioned loan – and any and all amendments as may be effected thereto from time to time – will be available for inspection or for collection by physical means, free of charge, at the registered office of the Issuer during normal business hours. The said loan agreement (as amended) is in the English language.

The business focus of CLT Holding AG is to act as a holding company, and it holds all the shares which are currently in issue in CLT Reinsurance S.A., a company registered in Luxembourg and having its registered office situated at 23 Avenue Monterey, 2163 Luxembourg. CLT Reinsurance S.A. is authorised by the Commissariat aux Assurances in Luxembourg to conduct business as a reinsurance company, and conducts such business in the heavy industry sector. As at the date hereof, CLT Holding AG does not own or otherwise hold any shares or other participations in any other companies or entities. The Issuer is not affiliated to CLT Holding AG.

The Issuer earns an interest spread arising from a higher coupon of the aforementioned receivable versus the Interest payable by the Issuer on the Securities pursuant to this Securities Note. The Issuer expects to be in a position to effect payment of the Redemption Amount and Interest on the Securities from the interest and principal repayments which the Issuer expects to receive from CLT Holding AG which would, in turn, effect such payments to the Issuer as aforesaid out of dividends distributed by the reinsurance company in favour of CLT Holding AG from the profits generated by the reinsurance company from the conduct of its reinsurance business.

4.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

As at the date of this Securities Note, Mr Christoph Arnegger (whose details are disclosed in sections 3.2 and 5 of the Registration Document) is a Director and also holds all the shares that are currently in issue in the capital of the Issuer and, accordingly, is entitled to receive any and all profits as may from time to time be available for distribution by the Issuer by way of dividend. As such, Mr Arnegger has a material and personal interest in the Issuer and the issue of the Securities. Notwithstanding the aforesaid, Directors (including Mr Arnegger) have statutory duties to the Issuer and are required to exercise good faith and integrity in handling all the Issuer's affairs.

To the best of the Issuer's knowledge and belief, no other person involved in the issue of the Securities had an interest material to the issue of the Securities.

4.4 EXPENSES OF ADMISSION TO TRADING

The total expenses relating to the admission of the Securities to trading on the IFSM is expected not to exceed eighteen thousand Euros (€18,000).

All of the Issuer's expenses in relation to the admission of the Securities to trading on the IFSM will be payable by the Issuer. No fees or expenses will be charged directly to Investors.

5. TERMS & CONDITIONS

5.1 GENERAL

Each Security forms part of a duly authorised issue of fourteen million, two hundred thousand Euros (€14,200,000) in aggregate nominal value of unsecured interest-bearing bonds, all of which were issued and subscribed for by Investors on 9 June, 2017.

Each Security has a nominal value of one hundred thousand Euros (€100,000), and was issued by the Issuer at the Issue Price of one hundred thousand Euros (€100,000) per Security.

The Securities will be listed on the IFSM.

The Securities bear Interest at the rate of three point two one five per cent (3.215%) per annum which shall be payable on such terms specified in section 5.10 of this Securities Note.

Unless previously redeemed on an Early Redemption Date, the Securities shall be redeemed on the Maturity Date by the payment of the Redemption Amount and any Interest accrued up to (but excluding) the Maturity Date or the Early Redemption Date as the case may be.

The Securities are governed by the terms and conditions (the "**Terms & Conditions**") comprised in this section 5 which must be read in conjunction with the remaining sections of the Prospectus.

The listing of the Securities is made in accordance with the requirements of the Listing Rules, the Prospectus Directive and the Prospectus Regulation.

The representations and warranties set out in the section of this Securities Note entitled 'Representations & Warranties' shall be construed as forming part of these Terms & Conditions.

The Issuer shall effect payment of any Redemption Amount and/or Interest only if and to the extent that the Issuer has sufficient liquidity to effect the relevant payment at the time it becomes due. The Issuer may become insolvent or bankrupt or may otherwise default on its obligation or be unable to pay the Redemption Amount and / or Interest as the same may fall due pursuant to this Securities Note. Any amount received by Investors in such circumstances will be less (even substantially less or zero) than the Redemption Amount and / or Interest accrued and less (even substantially less or zero) than their original investment and/or expected return on their investment, in which case Investors will lose some or all of their original investment and/or expected return on their investment. If the Issuer does not have sufficient funds for the final and full settlement of the claims of Investors, the Issuer will not be liable for any shortfalls.

Investors shall not be entitled to petition or take any other step for the winding-up, liquidation or bankruptcy of the Issuer, or any similar insolvency related proceedings pursuant to section 67(3) of the Austrian Insolvency Order (Insolvenzordnung). If an Investor makes an application for the dissolution of the Issuer, insolvency proceedings against the assets of the Issuer, or the institution of similar proceedings aimed at liquidating the Issuer, or if an Investor joins such application made by a third party, such Investor will ipso jure lose all rights under the Securities.

Investing in the Securities involves certain risks and Investors should fully understand these before they invest. See the section entitled 'Risk Factors' herein for a discussion of certain factors to be considered in connection with an investment in the Securities.

5.2 OVERVIEW OF THE SECURITIES

Securities Name: True Sale Junior Bond 6/17-12/21
ISIN: AT0000A1WBL7

Type:	Interest-bearing bonds
Currency:	Euro
Form:	Bearer
Denomination:	€100,000 per Security
Issue Price:	€100,000 per Security
Number of Securities Issued:	142
Interest:	3.215% per annum calculated as a percentage of the principal amount of the Securities held by each Investor
Issue Date:	9 June, 2017
Maturity Date:	31 December, 2021
Early Redemption Date:	The last Business Day of each of the months of March, June, September and December of each year prior to the Maturity Date, on which, at the sole option of the Investor, the Investor shall be entitled to redeem any or all of its Securities pursuant to the provisions of section 5.11 of this Securities Note, provided that the Investor gives not less than fourteen (14) days prior written notice (by means of the submission of a Redemption Notice) to the Issuer specifying the date when such Early Redemption shall be effected

5.3 ISSUE OF THE SECURITIES

The issue of the Securities was approved and authorised by a resolution of the shareholders of the Issuer dated 1 June, 2017.

The Securities were issued on the Issue Date and were subscribed in full.

5.4 CURRENCY AND DENOMINATION

The Securities were issued in Euro (€).

The aggregate principal amount of Securities which were issued by the Issuer is fourteen million, two hundred thousand Euros (€14,200,000) which is divided into one hundred and forty two (142) Securities having a Denomination per unit of one hundred thousand Euros (€100,000).

5.5 FORM AND TITLE

The Securities were issued in bearer and dematerialised form and were deposited as a global certificate representing one hundred and forty two (142) units with and held by the CSD identified in section 5.8 hereunder.

The Securities are transferable in accordance with applicable law and in accordance with the CSD Rules. Title to Securities will pass upon registration of the transfer in the books of the CSD.

The Issuer and the relevant Agents shall (except as otherwise required by law or ordered by a court of competent jurisdiction) deem and treat the holder of any bearer instrument representing a Security as the absolute owner of that Security for all purposes and no person shall be liable for so treating the holder.

5.6 STATUS

The Securities constitute the general, direct and unsecured obligations of the Issuer.

The Securities are subordinated to the claims of all holders of the Senior Bonds. As such, the Securities rank after the obligations of the Issuer under the Senior Bonds. Subordination means that the rights and claims of Investors in respect of the payment of the Redemption Amount and Interest will rank after the claims of the holders of the Senior Bonds for the repayment of any principal and interest thereon and, accordingly, the claims of Investors will not be repaid until all claims of the

holders of the Senior Bonds outstanding at the time have been settled.

The Securities shall at all times rank *pari passu* without any priority or preference among themselves and, save for the Senior Bonds (as further set out above in this section 5.6) and other prior ranking claims and such exceptions as may be provided by applicable law, with all other outstanding and unsecured obligations of the Issuer, present and future.

Furthermore, third party security interests may be registered which will rank in priority to the Securities against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

The Securities are not insured or guaranteed by any government or government agency.

5.7 AGENTS

The Issuer has engaged Agents in respect of the Securities. Such Agents shall act solely as such in respect of the Issuer and shall not assume any obligation or duty to, or any relationship of agency or trust for or with, any Investor. The Issuer reserves the right to vary or terminate the appointment of the Agents and to appoint additional or other Agents.

The agreements executed with the Agents shall be available for inspection by Investors at the Issuer's registered office during normal office hours.

The Agents are unaffiliated to the Issuer.

5.7.1 PAYING AGENT

The Issuer has appointed Semper Constantia Privatbank AG, a public limited company (*Aktiengesellschaft*) registered in Austria with registration number FN 330441v and having its registered office at Heßgasse1, 1010 Vienna, Austria, as the Paying Agent. The Paying Agent will be responsible to disburse, or cause to be disbursed, all amounts due to Investors, subject to those amounts being received by the Paying Agent from the Issuer.

5.7.2 LISTING AGENT

The Issuer has appointed Integra Private Wealth Limited, having its registered office at 228 Tower Road, Sliema SLM 1601, Malta, as its Listing Agent pursuant to the Listing Rules. In terms of the Listing Rules, the Listing Agent shall, *inter alia*, liaise with the Listing Authority.

5.8 CSD

The Securities are deposited with and held on the clearing system established and maintained by Oesterreichische Kontrollbank CSD GmbH, a company incorporated in Austria with registration number FN 428085m and having its registered office at Strauchgasse 1, 1010 Vienna, Austria, which acts as central securities depository.

The agreement executed with the CSD shall be available for inspection by Investors at the Issuer's registered office during normal office hours.

5.9 RIGHTS ATTACHING TO THE SECURITIES

An Investor shall have such rights as are, pursuant to this Securities Note and the Prospectus, attached to the Securities, including (without limitation):

- (i) the repayment of capital (that is, the Redemption Amount) on the Maturity Date or an Early Redemption Date (as the case may be) in accordance with the ranking set out in section 5.6 of this Securities Note, provided that the Issuer has sufficient liquidity to effect such repayment on its due date;

- (ii) the payment of Interest in accordance with the ranking set out in section 5.6 of this Securities Note, provided that the Issuer has sufficient liquidity to effect such payment on its due date;
- (iii) the right to attend, participate in and vote at meetings of Investors in accordance with section 5.17 of this Securities Note;
- (iv) the right to request an Early Redemption;
- (v) all such other rights attached to the Securities emanating from the Prospectus and applicable law.

The Issuer shall effect payment of any Redemption Amount and/or Interest only if and to the extent that the Issuer has sufficient liquidity to effect the relevant payment at the time it becomes due. The Issuer may become insolvent or bankrupt or may otherwise default on its obligation or be unable to pay the Redemption Amount and / or Interest as the same may fall due pursuant to this Securities Note. Any amount received by Investors in such circumstances will be less (even substantially less or zero) than the Redemption Amount and / or Interest accrued and less (even substantially less or zero) than their original investment and/or expected return on their investment, in which case Investors will lose some or all of their original investment and/or expected return on their investment. If the Issuer does not have sufficient funds for the final and full settlement of the claims of Investors, the Issuer will not be liable for any shortfalls.

Investors shall not be entitled to petition or take any other step for the winding-up, liquidation or bankruptcy of the Issuer, or any similar insolvency related proceedings pursuant to section 67(3) of the Austrian Insolvency Order (*Insolvenzordnung*). If an Investor makes an application for the dissolution of the Issuer, insolvency proceedings against the assets of the Issuer, or the institution of similar proceedings aimed at liquidating the Issuer, or if an Investor joins such application made by a third party, such Investor will ipso jure lose all rights under the Securities.

5.10 INTEREST YIELD

Interest shall accrue daily with effect on and from the Issue Date and shall be equivalent to three point two one five per cent (3.215%) per annum calculated as a percentage of the principal amount of the Securities held by each Investor.

The Securities shall cease to bear Interest on (and including) the Maturity Date. Provided that any Securities which are redeemed on an Early Redemption Date shall cease to bear Interest on (and including) the relevant Early Redemption Date.

Interest accrued as aforesaid shall be paid by the Issuer to an Investor on a yearly basis, in arrears, on 31 December of each year. Provided that the last annual payment of Interest accrued as aforesaid in relation to Securities which are redeemed on the Maturity Date shall be effected by the Issuer to an Investor on the Maturity Date together with the Redemption Amount in one (1) instalment. Provided further that Interest accrued as aforesaid in relation to Securities which are redeemed on an Early Redemption Date shall be paid by the Issuer to an Investor on the relevant Early Redemption Date together with the Redemption Amount in one (1) instalment.

For the avoidance of any doubt, when Interest is payable for a period of less than one (1) year, it shall be calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days.

5.11 REDEMPTION

Unless previously redeemed on an Early Redemption Date in accordance with the following terms of this section 5.11, the Securities shall be redeemed on the Maturity Date.

Notwithstanding the aforesaid, each Investor shall be entitled to redeem part or all of its Securities on an Early Redemption Date by giving not less than fourteen (14) days prior written notice (by means of the submission of a Redemption Notice) to the Issuer specifying the Early Redemption Date when such

Early Redemption shall be effected. A Redemption Notice shall be irrevocable (unless otherwise agreed between the Issuer and the relevant Investor at the relevant time) and shall bind the Issuer to make, and the Investor to accept, such redemption of its Securities on the Early Redemption Date specified in the Redemption Notice.

A Redemption Notice must contain the following information:

- (i) full name and address of the Investor;
- (ii) the ISIN of the Securities to be redeemed;
- (iii) the quantity of Securities to be redeemed;
- (iv) the account of the Investor with a bank in a member state of the European Economic Area, to which any payments owed under the Securities are to be credited; and
- (v) the Early Redemption Date.

The Redemption Notice may be obtained from the Issuer.

The Securities shall be redeemed by the payment of the Redemption Amount (equivalent to the nominal value of the Securities being redeemed as aforesaid) and any Interest accrued on the relevant Securities up to (but excluding) the Maturity Date or the Early Redemption Date as the case may be and as further provided in section 5.10 of this Securities Note.

Securities redeemed shall be cancelled forthwith and shall not be re-issued or re-sold.

5.12 PAYMENTS

The Paying Agent will arrange for the transfer and payment of the Redemption Amount and / or Interest, in Euro (€), to the account of the Investor specified in any relevant Redemption Notice (in the case of an Early Redemption) or otherwise provided to the Issuer or the Paying Agent as the case may be. Neither the Issuer nor the Paying Agent shall be responsible for any loss or delay in transmission.

Payments of the Redemption Amount will be made against and subject to the presentation and surrender (or, in the case of part payment, endorsement) of the relevant bearer instruments representing the redeemed Securities at the offices of the Paying Agent. Neither the Issuer nor the Paying Agent is required to verify the authority of persons surrendering Securities.

If, in the case of an Early Redemption, the number of Securities to be redeemed as specified in the Redemption Notice differs from the number of bearer instruments surrendered to the Paying Agent, the Redemption Notice shall be deemed to have been made only for the smaller of both numbers of Securities. Any bearer instruments surrendered in excess shall be re-transferred to the Investor at its exclusive risk and expense.

Payments of Interest will be made against and subject to the presentation of the relevant bearer instruments representing the relevant Securities at the offices of the Paying Agent. Neither the Issuer nor the Paying Agent is required to verify the authority of persons presenting bearer instruments representing the relevant Securities as aforesaid.

All currency amounts which fall due and are payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up). For these purposes 'unit' means the lowest amount of such currency that is available as legal tender in the country of such currency.

Any payment (whether of any Redemption Amount or Interest, as the case may be) effected by or on behalf of the Issuer shall be subject to deduction, or conditional upon payment by the relevant recipient/s, of any applicable taxes, settlement expenses, bank charges and any other amounts payable as specified in these Terms & Conditions and in terms of applicable law.

If the date on which any amount is payable is not a Business Day then payment will not be made until the next succeeding day which is a Business Day and the recipient of any such payment shall not be

entitled to any further payment in respect of such delay.

Redemption of the Securities and any payments by the Issuer (whether of any Redemption Amount or Interest, as the case may be) will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at such time (including, without limitation, any relevant exchange control laws or regulations and the CSD Rules), and the Issuer, the Paying Agent and/or the CSD shall not incur any liability whatsoever if it/they is/are unable to effect any payments or deliveries contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices.

Neither the Issuer nor the Paying Agent shall, under any circumstances, be liable for any acts or defaults of the CSD in the performance of their respective duties in relation to the Securities.

If the Issuer or the Paying Agent determine that any condition to payment (whether of any Redemption Amount or Interest, as the case may be) to be satisfied by an Investor has not been satisfied in respect of the Securities on or prior to the date on which payment would otherwise have been scheduled to occur, such payment shall not become due until the date on which all conditions to payment have been satisfied in full. No additional amounts shall be payable or deliverable as a result of any such delay or postponement. The conditions to payment to be satisfied by an Investor may include, without limitation, receipt of all instructions, certifications, documentation and information by the Issuer, the Paying Agent and/or the CSD, as applicable, required by the Issuer, the Paying Agent and/or the CSD to effect such payment to the Investor (or to its order) within the required time period.

Any claim against the Issuer by Investors in connection with all payments due to them in respect of the Securities shall be prescribed (time-barred) upon the lapse of thirty (30) years from the day on which an action in relation to the same becomes exercisable.

5.13 RATING

The Securities are unrated.

5.14 TRANSFERABILITY OF THE SECURITIES

Subject to the following paragraphs of this section 5.14, each Security shall be freely transferable, provided that a Security cannot be divided into fractional parts and transferred or redeemed in part.

The Securities have not been and will not be registered under the Securities Act. The Securities may not be sold within the US, its territories or its possessions, or any area subject to its jurisdiction or to or on behalf or for the account of a US Person.

Transfers of Securities may only be effected through the CSD and in accordance with the rules and regulations of the IFSM, the CSD Rules and any other applicable laws.

5.15 PURCHASES AND CANCELLATIONS

The Issuer may at any time purchase Securities in the open market or otherwise at any price. The Issuer shall not be obliged to inform Investors of any such purchase of Securities. Securities so purchased may be held, surrendered for cancellation or resold, all in accordance with applicable laws and regulations.

5.16 FURTHER ISSUES

The Issuer may from time to time, without the consent of any existing Investors, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, whether secured or unsecured and whether subordinated or unsubordinated and, generally, upon such terms as the Issuer may determine at the time of their issue. There is no restriction on the amount of debt which the Issuer may issue from time to time.

5.17 MEETINGS OF INVESTORS AND AMENDMENTS TO THE PROSPECTUS

The Issuer may from time to time call meetings of Investors for the purpose of consultation with Investors or for the purpose of obtaining the consent of Investors on matters which pursuant to the laws of Austria and the Prospectus require their approval or the approval of an Investors' meeting.

A meeting of Investors shall be called by the Directors by giving all Investors not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Investors. Following a meeting of Investors held in accordance with the provisions set out hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Investors whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Investors in accordance with the provisions of this section 5.17 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer, and shall be binding on all Investors.

The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of the Issuer and the Investors at a meeting called and held for that purpose in terms of the following provisions of this section 5.17.

A meeting of Investors shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, any number of Investors present, in person or by proxy, representing not less than fifty per cent (50%) in nominal value of the Securities then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening the said meeting, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Investors present at that meeting. The Issuer shall within five (5) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: (i) any number of Investors present, in person or by proxy, shall constitute a quorum; and (ii) only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

An Investor shall be entitled to be represented at any such meeting and to exercise his rights (including the right to vote) by proxy. For such purpose, the Issuer shall make available a proxy form, on paper or, where applicable, by electronic means to each Investor entitled to vote at a meeting of Investors. The proxy form shall be made available either together with the notice convening the meeting or after a company announcement of the meeting. Every instrument appointing a proxy must be in writing signed by the appointer or his attorney or in the case of a corporation executed by its duly authorised representative. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or true copy of such power or authority shall be deposited at the registered office of the Issuer not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and, in default, the instrument of proxy shall not, unless the Directors otherwise decide, be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Security in respect of which it is given unless previous intimation in writing of such death, insanity, revocation or transfer shall have been received at the registered office of the Issuer.

Any person who in accordance with the constitutive documents of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Investors, or if he is not present within

thirty (30) minutes from the time scheduled for the commencement of the meeting or is not willing to act, the Directors present shall elect one of their number to be the chairman of the meeting.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the Directors or their representative shall present to the Investors the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Investors to present their views to the Issuer and the other Investors present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Investors present at the time at which the vote is being taken, and any Investors taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the company secretary of the Issuer or some other person appointed for the purpose by the Directors or by the chairman of the meeting.

Any resolution proposed at a meeting of Investors shall only be considered as approved if the resolution is approved by Investors representing seventy five per cent (75%) of the nominal value of the Securities held by Investors present or represented at the meeting.

Save for the above, the rules generally applicable by law or under the constitutive documents of the Issuer to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Investors.

5.18 NOTICES TO INVESTORS

All notices to Investors concerning the Securities shall be deemed to have been duly given and valid:

- (i) if published on the website of the IFSM (www.borzamalta.com.mt) where so required by the rules and regulations of the IFSM; and
- (ii) published in the Wiener Zeitung or, should the Wiener Zeitung cease to be published for any reason whatsoever, in any other daily newspaper as may be published and circulated in Austria.

Failure to give notice where required will not invalidate any determination, calculation or correction, as applicable.

5.19 GOVERNING LAW AND JURISDICTION

The Securities, all the rights and obligations of the Investors and the Issuer, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with Austrian law: provided that matters relating to the approval of the Prospectus and its conformity with the requirements of the Prospectus Directive and approval of admissibility and the actual admissibility to listing and trading of the Securities on the IFSM shall be governed by and construed in accordance with Maltese law.

Should any provisions of these Terms & Conditions be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which reflects the economic purpose of the invalid provision as far as legally possible.

The Courts of Vienna, Austria, shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Securities, all the rights and obligations of the Investors and/or the Issuer, and any non-contractual obligations arising out of or in connection therewith. The Issuer and each Investor hereby irrevocably submits to the exclusive jurisdiction of the Courts of Vienna, Austria, to hear and determine any proceedings and to settle any disputes which may arise as aforesaid.

The Issuer and each Investor hereby waive any objection to the Courts of Vienna, Austria, on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agrees that a

judgement or order of such a Court shall be conclusive and binding on it and may be enforced against it in the Courts of any other jurisdiction.

5.20 ADMISSION TO LISTING AND TRADING

The Listing Authority has authorised the admissibility of the Securities to listing and trading on the IFSM pursuant to the Listing Rules by virtue of a letter dated 31 August, 2018.

Application has been made for the Securities to be admitted to listing and trading on the IFSM. The admission date of the Securities is expected to be the same as the date of approval of this Securities Note by the Listing Authority.

The Issuer estimates that total expenses related to the admission of the Securities to trading on the IFSM should not exceed eighteen thousand Euros (€18,000). Such expenses will be settled by the Issuer and will not be charged to Investors.

6. DIRECTORY

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