

**Base Prospectus**  
of  
**E-Stream Energy GmbH & Co KG**  
*(incorporated as a limited partnership with  
a limited liability company as General Partner under the laws of Germany)*

**for the Issuance of**

**Contingent Capital Fixed Rate Bearer Notes, Contingent Capital Fixed Rate Registered Notes, Fixed Rate Bearer Notes, Fixed Rate Registered Notes, Fixed Rate Registered Notes Issued in Dematerialised Form, guaranteed Fixed Rate Bearer Notes, guaranteed Fixed Rate Registered Notes, guaranteed Fixed Rate Registered Notes in Dematerialised Form and guaranteed Fixed Rate Registered Notes II in Dematerialised Form**

**dated**

**18 July 2019**

In accordance with the Liechtenstein law relating to securities prospectuses dated 23 May 2007 as amended (*Wertpapierprospektgesetz*) (the **Liechtenstein Securities Prospectus Act**), this Base Prospectus was approved by the Liechtenstein Financial Market Authority (the **FMA**) as the competent authority in Liechtenstein in accordance with the Liechtenstein Securities Prospectus Act. In accordance with Article 30a of the Liechtenstein Securities Prospectus Act, by approving this Base Prospectus, the FMA gives no assurances relating to the economic and financial suitability of the transaction and the quality or solvency of the Issuer.

This document constitutes a base prospectus (the **Base Prospectus**) according to Article 5 (4) of the Directive 2003/71/EC, as amended, (the **Prospectus Directive**) in connection with the Commission Regulation (EC) No 809/2004, as amended, for the issuance of contingent capital fixed rate bearer notes, contingent capital fixed rate registered notes, fixed rate bearer notes, fixed rate registered notes, fixed rate registered notes issued in dematerialised form and guaranteed Fixed Rate Bearer Notes, guaranteed Fixed Rate Registered Notes, guaranteed Fixed Rate Registered Notes in dematerialised form and guaranteed Fixed Rate Registered Notes II in Dematerialised Form (together the **Notes**) issued from time to time by E-Stream Energy GmbH & Co KG (the **Issuer**, or the **Company**) and, if applicable, to be guaranteed by Timberland Securities Investment plc (the **Guarantor**). In the latter case, payments of amounts up to an amount as specified in the relevant Final Terms due in respect of Notes issued by the Issuer will be unconditionally and irrevocably guaranteed by the Guarantor.

The purpose of this Base Prospectus is the offer to the public and/or the admission to trading of the Notes described herein. This Base Prospectus is to be read together with the information provided in (a) the supplements to this Base Prospectus, if any (the **Supplements**), (b) all other documents whose information is incorporated herein by reference (see section "*Documents Incorporated by Reference*" below) as well as (c) the respective Final Terms (the **Final Terms**).

The Notes are subject to, and governed by, the terms and conditions fully described in the section entitled "*Terms and Conditions of the Notes*" (the **Terms and Conditions**). Unless redeemed early or purchased and cancelled in accordance with the relevant Terms and Conditions, the Issuer will redeem each Note on the Maturity Date specified in the relevant Terms and Conditions by paying the Redemption Amount (as defined in the Terms and Conditions) to the relevant holder of such Note.

The Issuer has also requested the FMA in accordance with Article 23 of the Liechtenstein Securities Prospectus Act to provide the competent authorities in the Republic of Austria, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the French Republic, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Republic of Malta, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland (and together with the Principality of Liechtenstein collectively, the **Public Offer Jurisdictions** and each, a **Public Offer Jurisdiction**) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Liechtenstein Securities Prospectus Act. The publication of the Base Prospectus will be made at least one working day prior to the commencement of an offer to the public of the Notes in the relevant Public Offer Jurisdiction.

Any person intending to acquire or acquiring any Notes (an **Investor**) from any person distributing or selling the Notes (an **Offeror**) should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the contents of the Base Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each European Economic Area (**EEA**) member state in the context of an offer of securities to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should take legal advice.

The Issuer has authorised the making of a public offer of the Notes by Timberland Invest Ltd. and Timberland Capital Management GmbH, as applicable, (the **Distribution Agents**) in the Public Offer Jurisdictions during the offer period and the Issuer has consented to the use of this Base Prospectus by any other person authorised by the Distribution Agents in connection with any public offer of Notes (under which the offer of the Notes takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Notes to the extent and the conditions as set out in the Base Prospectus and the relevant Final Terms during the term of its validity in accordance with Article 9 of the Prospectus Directive.

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

**The Terms and Conditions of the Notes may be complex. An investment in the Notes is suitable only for investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment. Before subscribing to or otherwise acquiring any Notes, prospective investors should specifically ensure that they understand the structure of, and the risk in an investment in, the Notes and should specifically consider the risk factors set out in section "*Risk Factors*" below.**

The Issuer and the Guarantor accept responsibility for the information contained in this Base Prospectus and, to the best of their knowledge (having taken all reasonable care to ensure that such is the case) the information contained in the Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised by the Issuer, or the Guarantor, to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

If the relevant Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to Retail Investors in the European Economic Area*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive

2011/61/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, where that customer would not qualify as a professional client as defined in Point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003. If the relevant Final Terms include the above-mentioned legend, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

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

Neither this Base Prospectus or its delivery nor any other information supplied in connection with the offering, sale or delivery of the Notes (a) is intended to provide the basis of any credit or other evaluation, or (b) should be considered as a recommendation by the Issuer (or the Guarantor) that any recipient of this Base Prospectus, or the recipient of any other information supplied in connection with the offering, sale, or delivery of the Notes, should purchase any Notes. Each investor contemplating acquiring any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Save for the approval of the Base Prospectus by the FMA and save as described herein, neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe to, or otherwise acquire, any Notes.

Neither the delivery of the Base Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

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

This Base Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale or delivery of Notes may be restricted by law in certain jurisdictions. The Issuer and the Guarantor do not represent that this Base Prospectus may be lawfully distributed, or that the Notes may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer (or the Guarantor) which is intended to permit an offering to the public or sale of the Notes or the distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement

or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States of America (**United States**) and the EEA including the Public Offer Jurisdictions (please see section "*Selling Restrictions*").

Supplements (if any) to this Base Prospectus will be approved by the FMA and published in accordance with Article 17 of the Liechtenstein Securities Prospectus Act.

Any websites included in this Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

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## SUMMARY OF THE BASE PROSPECTUS

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

### Section A – Introduction and warnings

Element	Title	
A.1	<b>Warnings that the summary should be read as an introduction and provision as to claims</b>	<ul style="list-style-type: none"> <li>• This summary should be read as an introduction to this prospectus (the <b>Base Prospectus</b>) of E-Stream Energy GmbH &amp; Co KG (the <b>Issuer</b>).</li> <li>• Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor.</li> <li>• Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU member state, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</li> <li>• Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or 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 the Notes.</li> </ul>
A.2	<b>Consent as to use of the Base Prospectus, period of validity and other attached conditions</b>	[Timberland Invest Ltd.] [and][or] [Timberland Capital Management GmbH] [and][or] [●] (the <b>Distribution Agent[s]</b> ) [has][have] been authorised by the Issuer to use the Base Prospectus for any subsequent resale or final placement of the Notes during the Offer Period (as defined in Element E.3 below). Information on the terms and conditions of the offer of Notes by the Distribution Agent[s] is to be provided at the time of the offer by the Distribution Agent[s].

### Section B – Issuer

Element	Title	
B.1	<b>Legal and commercial name of the Issuer</b>	The legal and commercial name of the Issuer is E-Stream Energy GmbH & Co KG.
B.2	<b>Domicile/ legal form/ legislation/ country of incorporation</b>	The Issuer is a Limited Partnership with a limited liability company as General Partner ( <i>GmbH &amp; Co KG</i> ) incorporated and registered under the laws of Germany and domiciled in Germany. The head office of the Issuer is at Wilhelmshofallee 83, 47800 Krefeld, Germany.
B.4b	<b>Known trends affecting the issuer and the industries in which it operates</b>	Not applicable. There are no known trends affecting the Issuer and the industries in which it operates.

<b>B.5</b>	<b>Description of the group and the Issuer's position within the group</b>	As a limited partnership under German law it has a General Partner (E-Stream Management GmbH), which performs the day-to-day management of the Issuer. The Issuer has a holding in different German Alternative Investment Funds (AIF) for investment purposes.																												
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable. The Issuer does not generate any profit forecast or estimate.																												
<b>B.10</b>	<b>Nature of any qualifications in the audit report on historical financial information</b>	Unless specified otherwise below, the following table sets out the key financial information of the Issuer in accordance with the International Financial Reporting Standards as adopted by the European Union extracted from the financial statements as of and for the financial year ended 31 December 2018. The financial statements of the Issuer as of and for the financial year ended 31 December 2018 were audited by Vistra GmbH & Co KG, Wirtschaftsprüfungsgesellschaft, having its registered office at Universitätsstraße 71, 50931 Köln, Germany ( <b>Vistra</b> ). Vistra each have issued an auditors' opinion on the respective financial statements.																												
<b>B.12</b>	<b>Selected historical key financial information</b>	<p>The annual accounts for the financial period from 1 January 2018 to 31 December 2018:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;"><b>2018 (€)</b></th> </tr> </thead> <tbody> <tr> <td>Non-Current assets</td> <td style="text-align: right;">2,127,292</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">6,193,287</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">8,320,579</td> </tr> <tr> <td>Shareholder's Equity</td> <td style="text-align: right;">1,073,790</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">7,246,789</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td style="text-align: right;">8,320,579</td> </tr> </tbody> </table> <p>The annual audited accounts for the financial period from 1 January 2017 to 31 December 2017:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;"><b>2017 (€)</b></th> </tr> </thead> <tbody> <tr> <td>Non-Current assets</td> <td style="text-align: right;">1,886,347</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">3,465,137</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">5,351,484</td> </tr> <tr> <td>Shareholder's Equity</td> <td style="text-align: right;">(0)</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">5,351,484</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td style="text-align: right;">5,351,484</td> </tr> </tbody> </table>		<b>2018 (€)</b>	Non-Current assets	2,127,292	Current assets	6,193,287	Total Assets	8,320,579	Shareholder's Equity	1,073,790	Total Liabilities	7,246,789	Total Equity and Liabilities	8,320,579		<b>2017 (€)</b>	Non-Current assets	1,886,347	Current assets	3,465,137	Total Assets	5,351,484	Shareholder's Equity	(0)	Total Liabilities	5,351,484	Total Equity and Liabilities	5,351,484
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<b>B.13</b>	<b>Events impacting the Issuer's solvency</b>	Not applicable. There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency. However, save for this, the Issuer is under preparation for the filing of a prospectus for the issuance of (i) shares ( <i>Kommanditaktien</i> ) and (ii) Mandatory Convertible Notes ( <i>Pflicht-Wandelschuldverschreibung</i> ) following the intended change of its legal form into a company limited by shares ( <i>Kommanditaktiengesellschaft</i> ).																												
<b>B.14</b>	<b>Statement of dependency upon other entities within the group</b>	Please see Element B.5 above.																												
<b>B.15</b>	<b>Principal activities</b>	The Issuers principal activities are in the field of research, development and production of battery energy storage systems and applications. Furthermore the Issuer is performing IT-services and consulting and manages its own assets.																												
<b>B.16</b>	<b>Controlling shareholders</b>	The controlling limited partner of the Issuer is Mr Thomas Kraemer, having his business address at the Issuer at																												

		Wilhelmshofallee 83, 47800 Krefeld, Germany who holds 100.00 per cent. of the issued limited partners capital ( <i>Kommanditkapital</i> ) of the Issuer.
<b>B.17</b>	<b>Ratings</b>	Neither the Issuer nor the Notes have been rated.
<b>[B.18]</b>	<b>Nature and scope of the Guarantee</b>	Notes issued by the Issuer will have the benefit of a Guarantee [II] (the <b>Guarantee[II]</b> ) given by Timberland Securities Investment plc (the <b>Guarantor</b> ). The Guarantee [II] constitutes an unconditional and irrevocable obligation of the Guarantor for the punctual payment of principal of, and interest on, and any other amounts payable under Notes issued in connection with [the terms and conditions "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes" or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form" ["Option IX – Terms and Conditions of the Fixed Rate Registered Notes II Issued in Dematerialised Form"] but limited to an amount as set out in the relevant Final Terms. The Guarantee [II] is governed by German law and constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to Section 328 paragraph 1 German Civil Code ( <i>Bürgerliches Gesetzbuch</i> ).]

<b>[B.19]</b>	<b>Summary information about the Guarantor</b>	[In the case of an issue of Notes guaranteed by the Guarantor Timberland Securities Investment plc, please refer to the information relating to <b>Timberland Securities Investment plc</b> Elements below (B.19 (1. to 17.)).]
[		<b>Title</b>
<b>B.19</b>		<b>1. Legal and commercial name</b>
		The legal and commercial name of the Guarantor is Timberland Securities Investment plc.
<b>B.19</b>		<b>2. Domicile/ legal form/ legislation/ country of incorporation</b>
		The Guarantor is a public limited liability company incorporated and registered under the laws of Malta and domiciled in Malta. The head office of the Issuer is at Aragon House, St. George's Park, St. Julian's STJ 3140, Malta. The registered address is 171, Old Bakery Street, Valletta VLT 1455, Malta.
<b>B.19</b>		<b>4b. Known trends affecting the issuer and the industries in which it operates</b>
		Not applicable. There are no known trends affecting the Guarantor and the industries in which it operates.
<b>B.19</b>		<b>5. Description of the group and the Guarantor's position within the group</b>
		The Guarantor is a subsidiary of Timberland Holding II Ltd, Malta, incorporated under the laws of Malta.

<b>B.19</b>		<b>9. Profit forecast or estimate</b>	Not applicable. The Guarantor does not generate any profit forecast or estimate.																												
<b>B.19</b>		<b>10. Nature of any qualifications in the audit report on historical financial information</b>	Unless specified otherwise below, the following table sets out the key financial information of the Guarantor in accordance with the General Accepted Accounting Principal in Malta as of and for the financial year ended 31 December 2018 and in accordance with the International Financial Reporting Standards as adopted by the European Union extracted from the financial statements for the financial year ended 31 December 2017, respectively. The financial statements of the Guarantor as of and for the financial year ended 31 December 2018 and 31 December 2017, respectively, were audited by PricewaterhouseCoopers ( <b>PwC</b> ). PwC has issued an auditors' opinion on the respective financial statements.																												
<b>B.19</b>		<b>12. Selected historical key financial information</b>	<p>The annual accounts for the financial period from 1 January 2018 to 31 December 2018:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;"><b>2018 (€)</b></th> </tr> </thead> <tbody> <tr> <td>Non-Current assets</td> <td style="text-align: right;">5,884,264</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">2,595,254</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">8,479,518</td> </tr> <tr> <td>Shareholder's Equity</td> <td style="text-align: right;">1,070,876</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">7,408,642</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td style="text-align: right;">8,479,518</td> </tr> </tbody> </table> <p>The annual audited accounts for the financial period from 1 January 2017 to 31 December 2017:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;"><b>2017 (€)</b></th> </tr> </thead> <tbody> <tr> <td>Non-Current assets</td> <td style="text-align: right;">2,603,972</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">1,379,345</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">3,983,317</td> </tr> <tr> <td>Shareholder's Equity</td> <td style="text-align: right;">885,685</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">3,097,632</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td style="text-align: right;">3,983,317</td> </tr> </tbody> </table>		<b>2018 (€)</b>	Non-Current assets	5,884,264	Current assets	2,595,254	Total Assets	8,479,518	Shareholder's Equity	1,070,876	Total Liabilities	7,408,642	Total Equity and Liabilities	8,479,518		<b>2017 (€)</b>	Non-Current assets	2,603,972	Current assets	1,379,345	Total Assets	3,983,317	Shareholder's Equity	885,685	Total Liabilities	3,097,632	Total Equity and Liabilities	3,983,317
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<b>B.19</b>		<b>13. Recent events</b>	Not applicable. There are no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.																												
<b>B.19</b>		<b>14. Statement of dependency upon other entities within the group</b>	Please see Element B.5 above.																												
<b>B.19</b>		<b>15. Principal activities</b>	The principal activity of the Guarantor comprises acting as arranger or sub-arranger in respect of the issuance of limited recourse notes by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A.																												
<b>B.19</b>		<b>16. Controlling shareholders</b>	The controlling shareholder of the Guarantor is Timberland Holding II Limited (C 68800), having its registered address at 171, Old Bakery Street, Valletta VLT 1455, Malta, which holds 99.9 per cent. of the issued share capital of the Guarantor.																												
<b>B.19</b>		<b>17. Ratings</b>	The Guarantor has not been rated.]																												

## Section C – Securities

Element	Title	
C.1	<b>Description of Notes/ISIN</b>	<p>The [contingent capital] fixed rate [bearer][registered] notes [issued in dematerialised form] (the <b>Notes</b>) are unsecured and [un]subordinated obligations of the Issuer.</p> <p><i>[In the case of bearer notes, insert: The Notes are initially represented by a temporary global note without coupons which will be exchangeable for a permanent global note without coupons.]</i></p> <p>[No ISIN will be allocated to the Notes.]</p> <p>[ISIN: [●]]</p> <p>[Other Securities Identification Code[s]: [●]]</p>
C.2	<b>Currency</b>	<p>The Notes are issued in [Euro (<b>EUR</b>)][British Pound (<b>GBP</b>)][Swiss Franc (<b>CHF</b>)][US Dollar (<b>USD</b>)][Hungarian Forint (<b>HUF</b>)][Polish Zloty (<b>PLN</b>)][Czech Koruna (<b>CZK</b>)][Croatian Kuna (<b>HRK</b>)][●].</p>
C.5	<b>Restrictions on transferability</b>	<p><i>[In the case of bearer notes, insert: There are no restrictions on the free transferability of the Notes.]</i></p> <p><i>[In the case of registered notes that qualify as contingent capital notes, insert: No transfer of a Note may be registered during the period of [15][●] days ending on the respective due date for any payment in respect of that Note.]</i></p> <p><i>[In the case of registered notes that qualify as non-contingent capital notes, insert: No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued under the terms and conditions of this Base Prospectus, (ii) during the period of [15][●] days ending on the respective due date for any payment in respect of that Note[, or (iii) in the event of an early redemption of the Notes at the option of a Noteholder] during the period beginning on the [twenty-fifth (25th)][●] day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]</i></p>
C.8	<b>Rights attached to the Notes, including ranking and limitations on those rights</b>	<p><b>RIGHTS ATTACHED TO THE NOTES</b></p> <p><b><i>Interest Payments</i></b></p> <p>Noteholders are entitled to distributions as specified in Element C.9 below.</p> <p><b><i>Redemption at Maturity</i></b></p> <p>[The Notes are perpetual and have no scheduled maturity date.] [Unless previously redeemed, or cancelled, the Notes will be redeemed at their [Current] Principal Amount on the Maturity Date (as defined in Element C.9 below).]</p> <p><i>[In the case of non-contingent capital notes where an Early Redemption at the Option of a Noteholder is applicable, insert: <b>Early Redemption at the Option of a Noteholder</b></i></p> <p>The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the relevant Put Redemption Date(s) at the relevant Put Redemption Amount(s) together with accrued distributions, if any.]</p> <p><b><i>[Early Redemption at the Option of the Issuer</i></b></p> <p><i>[In the case of non-contingent capital notes where an Early Redemption at the Option of the Issuer is not applicable, insert: The Issuer does not have a right to demand the redemption of the Notes.]</i></p> <p><i>[In the case of non-contingent capital notes where an Early Redemption at the Option of the Issuer is applicable, insert: The Issuer may redeem the Notes in whole, but not in part, on the relevant Call Redemption</i></p>

	<p>Date(s) at the relevant Call Redemption Amount(s) together with accrued distributions, if any.]</p> <p><i>[In the case of contingent capital notes where an Early Redemption at the Option of the Issuer is not applicable, insert: The Issuer does not have a right to demand the early redemption of the Notes.]</i></p> <p><i>[In the case of contingent capital notes where an Early Redemption at the Option of the Issuer is applicable, insert: Subject to the fulfilment of certain redemption conditions, the Issuer may redeem the Notes in whole, but not in part, on the relevant Call Redemption Date(s) at the relevant Call Redemption Amounts(s) together with accrued distributions, if any.]]</i></p> <p><i>[In the case of contingent capital notes, insert: <b>Early Redemption for Regulatory Reasons</b></i></p> <p>The Notes may be redeemed at the option of the Issuer in whole, but not in part, if there is a change in the regulatory classification of the Notes that would be likely to result in their full or partial exclusion from own funds or reclassification as a lower quality form of own funds.]</p> <p><b>Early Redemption for Reasons of Taxation</b></p> <p><i>[In the case of notes where an Early Redemption for Reasons of Taxation is not applicable, insert: The Issuer does not have a right to demand the early redemption of the Notes for reasons of taxation.]</i></p> <p><i>[In the case of notes where an Early Redemption for Reasons of Taxation is applicable, insert: Subject to the fulfilment of certain redemption conditions, the Notes may be redeemed at the option of the Issuer in whole, but not in part, if there is a change in the applicable tax treatment of the Notes.]</i></p> <p><i>[In the case of non-contingent capital notes, insert: <b>Early Redemption in case of an Event of Default</b></i></p> <p>The Notes are providing for certain events of default entitling the Noteholders to demand immediate redemption of the Notes at the relevant Early Redemption Amount.]</p> <p><b>RANKING</b></p> <p><i>[In the case of unsubordinated non-contingent capital notes, insert: The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking pari passu without any preference among themselves and pari passu with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.]</i></p> <p><i>[In the case of subordinated non-contingent capital notes and contingent capital notes, insert: The Notes constitute direct, unsecured and subordinated obligations of the Issuer [in the case of contingent capital notes, insert: , and Tier 2 Instruments].</i></p> <p>Qualified subordination clause:</p> <p>In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:</p> <ul style="list-style-type: none"> <li>(a) junior to all present or future unsubordinated instruments or obligations of the Issuer; whereby: <ul style="list-style-type: none"> <li>(i) All claims under the Notes applying mutatis mutandis in accordance with section 19 (2) sentence 2 of the German Insolvency Code (<i>Insolvenzordnung</i>, InsO) are subordinated to all claims of other current or future creditors in such a manner that any payments of principal and interest under the Notes may be demanded only after satisfaction of all other creditors ranking as stipulated in section 39</li> </ul> </li> </ul>
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	<p>(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.</p> <p>(ii) Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.</p> <p>(iii) The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted (<i>überschuldet</i>) or unable to pay its debts (<i>zahlungsunfähig</i>) within applying mutatis mutandis the meaning of German insolvency law.</p> <p>(iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.</p> <p>(v) In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.</p> <p>(vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole (<i>Gläubigersamtheit</i>) applying mutatis mutandis within the meaning of section 328 (2) of the German Civil Code (<i>Bürgerliches Gesetzbuch</i>). Any cancellation of this subordination agreement without the creditors' cooperation will therefore be permitted only in the event that the criteria for insolvency (paragraph (iii)) are not met or no longer met in respect of the Issuer.</p> <p>(b) pari passu among themselves [<i>in the case of contingent capital notes, insert: , and with all present or future obligations under any other Tier 2 Instruments</i>]; and</p> <p>(c) senior to all present or future obligations under any [<i>in the case of contingent capital notes, insert: AT 1 Instruments</i>][<i>in the case of subordinated non-contingent capital notes, insert: CRR Instruments</i>], and all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes [<i>in the case of contingent capital notes, insert: or pari passu with obligations under any AT 1 Instruments</i>].</p> <p>[<i>In the case of contingent capital notes, insert: Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under the Notes, and no contractual collateral, or guarantee may be provided by the Issuer or any third person for the liabilities constituted by the Notes.</i>]</p> <p>[<i>In the case of contingent capital notes, insert: AT 1 Instruments</i> means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR) as Additional Tier 1 instruments pursuant to Article 52 of the CRR, including any capital instruments that qualify as Additional Tier 1 instruments pursuant to transitional provisions under the CRR.]</p> <p><b>CRR</b> means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (<i>Capital Requirements Regulation</i>), as amended from time to time.</p> <p>[<i>In the case of subordinated non-contingent capital notes, insert: CRR Instruments</i> means any capital instruments governed by the CRR regime.]</p> <p>[<i>In the case of contingent capital notes, insert: Tier 2 Instruments</i> means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR) as Tier 2 instruments pursuant to Article 63 of the CRR, including any capital</p>
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instruments that qualify as Tier 2 instruments pursuant to transitional provisions under the CRR.]]

#### **GOVERNING LAW**

The Notes shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law, except [(i)] for the provisions relating to *Ranking*], whereby the qualified subordination clause as set out in the terms and conditions such qualified subordination clause shall be applying mutatis mutandis in the meaning to the laws of Germany] and [(ii)] *Meetings of Noteholders* which shall be subject to the laws of Germany.

#### **[LIMITATIONS**

##### **[*Early Redemption at the Option of a Noteholder***

[*In the case of non-contingent capital where an Early Redemption at the Option of a Noteholder is not applicable, insert:* The Noteholders do not have a right to demand the early redemption of the Notes.]

[*In the case of contingent capital notes, insert:* The Noteholders do not have a right to demand the early redemption of the Notes.]]

##### **[*Loss Sharing***

[*In the case of contingent capital notes, insert: **Write-down***

If the Issuer incurs an Annual Balance Sheet Loss in any fiscal year (*Geschäftsjahr*), the Noteholder shares in such loss (excluding any loss carry forwards from previous fiscal years of the Issuer) in the proportion which the Current Principal Amount (as defined in Element C.9 below)) bears in relation to the aggregate book value of all going concern loss sharing components of the Issuer's regulatory liable capital, and the Current Principle Amount shall be written down accordingly (the **Write-down**). Following an Annual Balance Sheet Loss, there will be a corresponding reduction in the nominal amount of the Current Principal Amount equivalent to the amount of the Noteholder's share in such Annual Balance Sheet Loss. The Noteholder's aggregate share in Annual Balance Sheet Losses cannot exceed the Current Principal Amount.

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

**CET 1 Instruments** means any (directly or indirectly issued) capital instruments of the Issuer that qualify (or would qualify if the Issuer was subject to the CRR (as defined in Element C.8 above)) as Common Equity Tier 1 instruments pursuant to Article 28 of the CRR, including any capital instruments that qualify as Common Equity Tier 1 instruments pursuant to transitional provisions under the CRR.

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

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

##### ***Write-up***

Following a reduction, the Current Principal Amount will be written up in subsequent fiscal years of the Issuer in which an Annual Balance Sheet Profit is recorded (the **Write-up**). The Current Principal Amount will be written-up prior to the writing-up of AT 1 Instruments (as defined in Element C.8 above). A writing-up of shareholders' equity and allocation to reserves may only occur after the Current Principal Amount has been fully written-up again to its initial Principal Amount. No such increase of

		<p>the Current Principal Amount may result in the Current Principal Amount being more than the Specified Denomination (as defined in Element C.9 below).</p> <p><b>Annual Balance Sheet Profits</b> means net profits for the fiscal year of the Issuer on an individual basis recorded in the Relevant Financial Statements.]</p>
<p><b>C.9</b></p>	<p><b>Interest / Redemption / Yield / Holders' Representative</b></p>	<p>Please read the following information together with Element C.8.</p> <p><b>INTEREST</b></p> <p><b><i>Distributions and Rate of Distributions</i></b></p> <p>The Notes bear distributions (the <b>Distributions</b>) on the [Current] Principal Amount at a fixed rate of [●] per cent. per annum (the <b>Rate of Distributions</b>).</p> <p><b><i>Distribution Commencement Date and Distribution Payment Date[s]</i></b></p> <p>The Notes shall bear distributions on their [Current] Principal Amount at the Rate of Distributions from and including the Distribution Commencement Date [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on each Distribution Payment Date in each year, commencing on [●].</p> <p>[<b>Current Principal Amount</b> means initially the Specified Denomination, which from time to time – on one or more occasions – may be reduced by a Write-down (as defined in Element C.8 above) and, subsequent to any such reduction, may be increased by a Write-up (as defined in Element C.8 above), if any (up to the Specified Denomination).]</p> <p><b>Distribution Commencement Date</b> means [●].</p> <p><b>Distribution Payment Date</b> means [●].</p> <p><b>Principal Amount</b> means the Specified Denomination.</p> <p><b>Specified Denomination</b> means [●].</p> <p><b>MATURITY AND REDEMPTION</b></p> <p>[<i>In the case of perpetual notes, insert:</i> The Notes are perpetual and have no scheduled maturity date.]</p> <p>[<i>In the case of notes with a stated maturity date, insert:</i> The Notes will be redeemed at their [Current] Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on the Maturity Date [<i>in the case of Early Redemption at the Option of the Issuer, insert:</i>, unless the Notes are early redeemed at the option of the Issuer on a Call Redemption Date at the relevant Call Redemption Amount] [, and] [<i>in the case of Early Redemption at the Option of a Noteholder, insert:</i>[,] unless the Notes are early redeemed at the option of a Noteholder on the relevant Put Redemption Date at the relevant Put Redemption Amount].</p> <p>[<b>Call Redemption Amount</b> means [●].</p> <p><b>Call Redemption Date</b> means [●].]</p> <p>[<b>Current Principal Amount</b> means initially the Specified Denomination, which from time to time – on one or more occasions – may be reduced by a Write-down (as defined in Element C.8 above) and, subsequent to any such reduction, may be increased by a Write-up (as defined in Element C.8 above), if any (up to the Specified Denomination).]</p> <p><b>Maturity Date</b> means [●].</p> <p>[<b>Put Redemption Amount</b> means [●].</p> <p><b>Put Redemption Date</b> means [●].]</p> <p>[<b>Specified Denomination</b> means [●].]</p> <p><b>[INDICATION OF YIELD</b></p> <p>[●]]</p>

		<b>NOTEHOLDERS' REPRESENTATIVE</b> [●][Not applicable.]
<b>C.10</b>	<b>Derivative component in the interest payment</b>	Please read the following information together with Element C.9. Not applicable. The interest payments on the Notes do not have a derivative component.
<b>C.11</b>	<b>An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question</b>	[Not applicable. It is not intended to apply for admission of the Notes to trading on a regulated market.] [Application [may be][has been] made for admission to trading of the Notes on the regulated market[s] of [the Luxembourg Stock Exchange] [,][and][or] [the Frankfurt Stock Exchange] [,][and][or] [the Munich Stock Exchange] [,][and][or] [the Stuttgart Stock Exchange] [,][and][or] [the Vienna Stock Exchange] [,][and][or] [the Malta Stock Exchange] [,][and][or] [the European Wholesale Securities Market] [and][or] [●].] [Application may [also] be made [to list the Notes][for the inclusion of the Notes to trading] on [the Luxembourg Stock Exchange's Euro MTF market] [and][or] [the Open Market ( <i>Freiverkehr</i> ) of the Frankfurt Stock Exchange] [and][or] [Munich Stock Exchange] [and][or] [Stuttgart Stock Exchange] [and][or] [the MTF ( <i>Dritter Markt</i> ) of the Vienna Stock Exchange] [and][or] [●] [[and][or] any one or more Organized Trading Facilities (OTF) market(s) within the meaning of Directive 2014/65/EC on markets in financial instruments]. [The afore-mentioned markets or organized trading facilities not classify as 'regulated markets' within the meaning of Directive 2014/65/EC on markets in financial instruments, however, [are][is] nonetheless subject to regulation emanating from said Directive.]]

#### Section D – Risks

Element	Title	
<b>D.2</b>	<b>Key risks regarding the Issuer [and the Guarantor]</b>	<p><b>RISK FACTORS RELATING TO THE ISSUER</b></p> <p><i>Risks in connection with the Issuer's limited operating history</i> As the Issuer has only a limited operating history, the ability to evaluate the Issuer's potential performance as well as the ability to achieve its investment objectives is limited. The same applies to the possibility to assess the Issuer's business plan. In addition, the Issuer is a company which has beside its existing business a new business area (battery storage systems), which currently generates not yet revenues but is active in research and development and is about the market entry in this new business area. It is entirely dependent on the success of new technologies which have not yet been established and for which it is uncertain whether they can generate revenues. Furthermore, it is uncertain whether the planned expansion of business activities, i.e. the production and sale of battery systems, will show the promised success.</p> <p><i>Risks in connection with the dependency on key personnel, internal personnel and organisational structures, in particular through planned growth</i></p> <p><i>Risks in connection with the Issuer's business</i> The Issuer's business success depends beside its existing business in its business area of battery storage systems on its successful research and development of packaging solutions for battery systems.</p>

	<p>The Issuer's business model depends beside its existing business in its business area of battery storage systems on the competitiveness of its battery storage systems and technologies.</p> <p>The Issuer is dependent on the supply industry and the availability of raw materials and intermediate products; if the Issuer is unable to purchase battery cells and other components in sufficient quantities and at marketable conditions, this could lead to production stoppages and/or price increases.</p> <p>The Issuer is heavily dependent on its (direct and indirect) limited partner shareholder and managing director of the General Partner, due to the controlling influence of this limited partner shareholder, the financing previously significant by this shareholder.</p> <p>The further growth of the Issuer is dependent on successful ongoing financing and the successful raising of capital to cover future capital requirements.</p> <p>Patent holders, that have or will in future issue licences to the Issuer may not be able to register as patents or utility models the battery storage systems and technologies on which the Issuer's business is inter alia based, which have been applied for in patents or utility models, or to protect other intellectual property rights of the Issuer.</p> <p>Patent and property right infringements by the Issuer, and patent holders, that have or will in future issue licences to the Issuer, could lead to the assertion of claims by third parties and endanger the legal status of the property rights.</p> <p>The Issuer is subject to technology risks that new technologies devalue the development work performed by the Issuer and the existing patents and that the battery storage systems will no longer correspond to the current state of the art in the future.</p> <p>The Issuer is exposed to the risk of violating its business and trade secrets as well as its technologies and know-how.</p> <p>The Issuer is subject to certain Tax risks.</p> <p><i>Risks in connection with laws and regulations, especially due to potential future business and/or subsidiaries and/or joint ventures and/or other form of cooperations</i></p> <p>Stricter requirements due to regulatory initiatives regarding the markets that have been (and are currently being) implemented, adopted, or developed, could have a negative impact on the Issuer and its operations.</p> <p><i>Risks in connection with a possible insolvency of the Issuer</i></p> <p>In case of an insolvency of the Issuer, Noteholders may lose part or all of their claims to repayment of their invested capital.</p> <p><i>Risks in connection with external factors</i></p> <p>The Issuer's overall performance and results may be adversely affected by external factors beyond the Issuer's control, which include, amongst others, changes in the overall economic environment as well as with respect to political and market conditions.</p> <p><i>Risks in connection with the impact of a downgraded credit rating</i></p> <p>Any rating which may, in the future, be assigned to the Notes, may not adequately reflect all risks of the investment in such Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes.</p>
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	<p><i>Risks in connection with new governmental or regulatory requirements</i>  New governmental or regulatory requirements and changes in perceived levels could potentially subject the Issuer to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.</p> <p><i>Risks in connection with potential changes in the applicable tax framework</i>  Future changes in tax legislation, relevant decision of the competent fiscal courts and/or the tax authorities' administrative practice may have a negative impact on the Issuer's business.</p> <p><i>Risks in connection with internal risk management processes</i>  The Issuer's risk management techniques and strategies may in the future not be fully effective in mitigating the Issuer's risk exposure in all economic market environments or against all types of risks. Additionally, audits or other regular reviews of the risk management procedures and methods may detect weaknesses or deficiencies in the Issuer's risk management systems.</p> <p><i>Risks in connection with operational risk</i>  Operational risks, such as the risk of loss resulting from inadequate or failed internal processes, human errors, malfunctioning systems or from external events, including, in particular legal, regulatory and compliance risk, cannot be ruled out.</p> <p><i>Risks in connection with third parties involved</i>  The Issuer relies on services to be provided by a number of third parties. If any such third party fails to perform its respective contractual obligations, this could have a negative impact.</p> <p><i>Risks in connection with the integration of potential future acquisitions</i>  Future acquisitions to support the Issuer's business objectives and the development of business in existing and new geographic markets could demand significant management attention and may require the Issuer to divert financial and other resources that would otherwise be available for its existing business. In addition, potential future acquisitions may take longer to realise than expected and may not be realised fully, or at all.</p> <p><i>Risks in connection with the United Kingdom in regard to the termination of EU-Membership</i>  The political, economic and legal consequences of the so-called Brexit (especially with respect to a so-called hard Brexit) are not yet known or foreseeable and there may be increased volatility in the financial markets. Thus, the Brexit and its various consequences may have a negative impact on both the economies of the countries in which the Issuer currently operates and with respect to the financial industry as a whole.</p> <p><i>[In case Notes to be guaranteed by the Guarantor, insert:</i></p> <p><i>Risks in connection with the Guarantor's limited operating history</i>  Due to the limited operating history and the limited proven track record of the Issuer, the possibilities to evaluate the Guarantor's potential performance and the financial ability to act as a guarantor are limited.</p> <p><i>Risks in connection with the Guarantor's principal business</i>  The Issuer may not generate sufficient fees and income from its business activities to cover all and any payment obligations as stipulated under the Guarantee [II].</p> <p><i>Risks in connection with the Guarantor's investment decisions</i></p>
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		<p>The investments in financial instruments made by the Issuer may not be successful or effective to generate enough monies required to fulfil the obligations under the Guarantee [II].</p> <p><i>Risks in connection with the fact that Guarantor's is an issuer of bonds with special regulatory features</i></p> <p>It cannot be ruled out that the issuance of bonds (e.g. contingent convertible bonds) may be subject to stricter regulatory rules and provisions and therefore cannot be conducted by the Issuer as before.</p> <p><i>Risks in connection with potential conflict of interest, inter alia due to the Controlling Shareholder of the Issuer being Member of the Board of Directors of the Issuer and the Guarantor and persons being Member of the Board of Directors of the Issuer and Member of the Board of Directors of the Guarantor</i></p> <p>There are conflicts of interest arising from the fact, that the controlling shareholder Mr. Thomas Kraemer is a Member of the Board of Directors of the Issuer and the indirect controlling shareholder and a Member of the Board of Directors of the Guarantor, which is the Guarantor for guaranteed Notes under this Base Prospectus. There are also conflict of interest arising from the fact, that Mr. Dirk Koester is a Member of the Board of Directors of the Issuer and a Member of the Board of Directors of the Guarantor.</p> <p><i>Risks associated with the lack of independence of the Issuer, the Guarantor, any of its affiliates, any of its related companies, any third party, and their shareholders, members of the Board of Directors, employees and/or officers</i></p> <p>The Issuer will act as Issuer under the Programme, while it has relationships with related parties, such as, but not limited to, the Guarantor, and third parties. As a result, investors will be exposed to without limitation inter alia operational risks arising from the lack of independence of the Issuer, the Guarantor, any of their affiliates, any of their related companies and any third party, in assuming their duties and obligations as defined in the relevant Final Terms and as furthermore relationships may apply which are not expressly mentioned in the relevant Final Terms.</p> <p><i>Risks in connection with security granted for certain other issuers</i></p> <p>The Guarantor may provide security for certain other issuers. Respective claims in connection with such security to be paid by the Guarantor in favour of secured third-parties may impact (or limit) the ability of the Guarantor to fulfil its obligations under the Guarantee [II].</p> <p><i>Risks in connection with a possible insolvency of the Guarantor</i></p> <p>The Guarantor [and its Successor Guarantor as applicable] may be subject to an insolvency scenario.]</p>
D.3	Key risks regarding the Notes	<p><b>RISK FACTORS RELATING TO THE NOTES</b></p> <p><b>General Risks</b></p> <p><i>The Notes may not be a suitable investment for an investor</i></p> <p>A potential investor should not invest in Notes unless the investor has the expertise (either alone or with a financial adviser) to understand how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact an investment will have on the potential investor's overall investment portfolio.</p> <p><i>Change of law</i></p> <p>The rights and obligations of the Noteholders may adversely be affected by any change of law applicable to the Notes.</p>

*Changes in interest rates*

An investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

*Commissions to be paid by the Issuer*

Distribution commissions or other similar fees charged by the Issuer's distribution agents reduce the total amount of the net issue proceeds. Therefore, the issue proceeds available to the Issuer for the purpose of investing in financial instruments or other assets may be reduced accordingly.

*Costs relating to the purchase and sale of the Notes*

Commissions and other costs, which are incurred by a potential investor in connection with the purchase and/or sale of Notes, may significantly reduce the income generated by an investment in the Notes.

*Credit ratings and other ratings*

Any rating which may, in the future, be assigned to the Notes, may not adequately reflect all risks of the investment in such Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes.

*Currency risk*

A Noteholder of Notes denominated in a foreign currency is exposed to the risk that changes in currency exchange rates may affect the yield of such Notes.

*[In case Early Redemption at the Option of the Issuer is applicable, insert: Early redemption*

The Notes are redeemable in the instances prescribed in the Terms and Conditions, and, if applicable, subject to the fulfilment of certain regulatory requirements.]

*Functionality of the relevant clearing system, distribution agents and/or any relevant central securities depository*

Noteholders have to rely on the functionality of the relevant clearing system and, in the case of registered Notes, on the systems of the relevant distribution agents or other appointed distributors appointed and, in the case of series of Notes issued in dematerialised form, any central securities depository with and through which any series of Notes may be dematerialised.

*Future public offers*

No prediction can be made about the effect which future public offers of the Issuer's securities or any takeover or merger activity involving the Issuer, if any, would have on the market price of the Notes prevailing from time to time.

*Dependency on refinancing for the repayment of Notes*

It cannot be ruled out that the Issuer will be dependent on new refinancing for the repayment of the Notes, if necessary by issuing new Notes.

*Non full placement of the Notes guaranteed*

It is not certain that all Notes of an issuing of Notes under Final Terms will be placed.

*No reliance on opinions and forecasts*

The forward-looking assumptions and statements contained in this prospectus are primarily the opinions and forecasts of the Issuer's management and may subsequently prove to be incorrect.

*Legality of purchase*

A prospective investor may not rely on the Issuer, any distributor or financial intermediaries or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

*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.

*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.

*[In case a noteholder meeting provisions shall be applicable, insert: Meetings of Noteholders*

Noteholder decisions adopted in a meeting of Noteholders may bind all Noteholders including those that did not attend and vote at the relevant meeting and Noteholders who attended and voted in a manner contrary to the majority.]

*Orderly and liquid market*

No assurance can be given that an active secondary market for the Notes will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that Noteholders will be able to sell the Notes at or above the issue price or at all.

*[In case the notes classify as perpetual notes, insert: Perpetual Notes*

The Notes are perpetual obligations and have no fixed maturity date and may only be redeemed at the option of the Issuer (and subject to certain regulatory requirements to be met).]

*Trading suspension, interruption or termination*

Trading in the Notes on any market on which the Notes may (in the future) be listed, may, depending on the rules applicable to such market, be suspended or interrupted by the relevant market or by a competent regulatory authority (or stock exchange) upon the occurrence of a number of factors. Moreover, trading in the Notes may be terminated, either upon decision of the relevant market, upon the decision of a regulatory authority (or stock exchange), or upon application by the Issuer.

*[In case a substitution of the Issuer shall be applicable, insert: Substitution of the Issuer*

The amounts which Noteholders should receive in respect of the Notes may be affected in the event that the Issuer substitutes another company for itself as issuer of the Notes under the conditions of the Notes.]

*Taxation and FATCA*

Distribution payments on Notes, or profits realized by a Noteholder upon the sale or repayment of Notes, may be subject to applicable taxation regimes.

The Issuer may be classified as a non-US financial institution for purposes of the FATCA regime stipulated in sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986. If the Issuer becomes subject to withholding tax as a result, the monetary return of certain Noteholders may be affected.

***[Additional Risks related to contingent capital Notes***

*Subordinated Notes*

The contingent capital Notes constitute direct, unsecured and subordinated obligations of the Issuer, and would, if the Issuer was subject to CRR, constitute Tier 2 Instruments, meaning that the rights and claims

		<p>of the Noteholders in respect of the payment of capital and interest on the Notes will, in the event of dissolution and winding-up of the Issuer, rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled.</p> <p><i>Write-down</i></p> <p>If the Issuer incurs an annual balance sheet loss, this would trigger a write-down under the Notes. Noteholders may lose all or some of their investment as a result of such a write-down, unless, following such write-down, the Notes are subsequently written up.]</p> <p><b>[Additional Risks to Notes that are guaranteed by the Guarantor</b></p> <p><i>Non-payment of amount under the Guarantee [II]</i></p> <p>The Guarantor may not have the ability to repay the Notes. The Guarantor may not be able to repay the Notes in the event of a call under the Guarantee [II]. The Guarantor’s ability to repay the Notes will depend on its financial condition at the time of the call under the Guarantee [II].</p> <p><i>[Limitations to the Guarantee [II]</i></p> <p>The Guarantee [II] of the Notes may not cover the full amount of principal and interest of the Notes. The obligations of the Guarantor under the Guarantee [II] shall be limited pursuant to the guarantee limitations set out in paragraph (1) of the Guarantee [II] or in clause 2 of the terms and conditions of the respective Notes, respectively.] [●]</p> <p><i>Bankruptcy of the Guarantor</i></p> <p>Bankruptcy laws may impact claims in respect of the Issuer and the Guarantor. In the event of a bankruptcy of the Issuer and/or the Guarantor, the application of applicable bankruptcy laws may substantially affect the Noteholders’ claims to obtain repayment in full of the Notes.</p> <p><i>[In case a substitution of the Guarantor shall be applicable, insert: Substitution of the Guarantor</i></p> <p>The amounts which Noteholders should receive in respect of the Notes may be affected in the event that the Issuer or the Guarantor substitutes another company for as substitution of the Notes under the conditions of the Notes.]]</p>
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### Section E – Offer

Element	Title	
E.2b	<b>Reasons for the offer and use of proceeds</b>	[The net proceeds from the Notes will be used for general corporate purposes [or for the purpose of the general funding of the Issuer] [or will be utilized, directly or indirectly, by being on-lent to [group] [and/or] [related] companies] of the Issuer[.]; insofar the Issuer is free to use the proceeds as it wishes.]] [The Issuer is free to use the proceeds as it wishes.] [●]
E.3	<b>Terms and conditions of the offer</b>	<p>The terms and conditions of the offer of the Notes are as follows:</p> <p style="padding-left: 40px;"><b>(E) Offer Period:</b></p> <p>The offer period started [●] and will finish on [●] (the <b>Offer Period</b>); 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.]</p> <p style="padding-left: 40px;"><b>(b) Subscription Period:</b></p> <p>The Notes will [initially] be offered during a subscription period (the <b>Subscription Period</b>).]; the Issuer intends to continue the Subscription</p>

	<p>Period for the Notes after expiry of the period of validity of the Base Prospectus under a succeeding base prospectus.]</p> <p>Subscription Period: [[<i>insert first day of subscription period</i>] – [<i>insert last day of subscription period</i>] [[(<i>insert time</i>) [p.m.][a.m.] local time)]] [●]</p> <p>[The Issuer reserves the right to continue the public offer subject to the filing of new Final Terms for the Notes under another base prospectus.]</p> <p>[[After expiration of the subscription period, the offer period [continues][may be continued].] [[The][A possible] offer will be made without engagement.]] [●]</p> <p>(c) Issue Price:</p> <p>The Issuer will offer and sell the Notes at the [relevant] issue price ([the][each an] <b>Issue Price</b>) as determined as follows:</p> <p>[The Issue Price means the price of the Notes subscribed for during the Subscription Period. The Issue Price corresponds to [●][the nominal amount of a Note] [plus the Front-Up Commission] [plus][minus] [accrued interest][●].]</p> <p>[The Issue Price means [for the period between [<i>insert date</i>] until and including [<i>insert date</i>] [●]] [and for the period between [<i>insert date</i>] until and including [<i>insert date</i>] [●]] [and for the period between [<i>insert date</i>] until and including [<i>insert date</i>] [●]] [and for the period between [<i>insert date</i>] until and including [<i>insert date</i>] [●]][●].]</p> <p>[In case the Notes are offered without engagement after expiry of the Subscription Period, the Issue Price of the Notes will be determined by the Issuer in its own free 22ecognized taking into account actual market conditions.]</p> <p>[<b>Front-Up Commission</b> means a commission of up to [5][●] per cent. of [the nominal amount][●] per Note.]</p> <p>The Issue Price in respect of the Notes will be published [on each business day] on the Issuer’s website [(www.estream-energy.com)][●] [and] [or] [available on each business day from [the Issuer] [and][or] [the Distribution Agent(s)] [and][or] [●]] [and][or] [●].</p> <p>(d) Conditions of the offer:</p> <p>The Issuer reserves the right to withdraw the offer of Notes for any reason at any time prior to the end of the offer period. In addition, and subject to the Final Terms, the Issuer reserves the continuation of the public offering of the Notes after expiry of the period of validity of the Base Prospectus under a succeeding base prospectus. Subject to the Final Terms, the Issuer reserves the right to continue the public offer subject to the filing of new Final Terms for the Notes under another base prospectus.</p> <p>(e) The time period during which the offer of the Notes will be open and description of the application process:</p> <p>The offer of the Notes will be open during the Subscription Period. Applications for the purchase of Notes can be made to the Issuer [with a copy to the [Distribution Agent[s]][●] at [its][their] address[es] at [●]].</p> <p>(f) Details of the minimum and/or maximum amount of application:</p> <p>[Not applicable.][There is no minimum allocation of Notes per investor. The maximum allocation of Notes will be subject only to availability at the time of the application.]] [●]</p> <p>(g) Details of the method for paying up and delivering the Notes:</p> <p>[The delivery of the Notes shall be [free of payment][against payment] [on [<i>insert date</i>]]. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor’s application.]] [●]</p>
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		<p>(h) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable.][●]</p> <p>(i) List of jurisdictions, in which non-exempt offers may be made: Public offer may be made in [the Republic of Austria][,][and] [the Republic of Croatia][,][and] [the Republic of Cyprus][,][and] [the Czech Republic][,][and] [the Federal Republic of Germany][,][and] [the French Republic][,][and] [Hungary][,][and] [the Republic of Ireland][,][and] [the Italian Republic][,][and] [the Principality of Liechtenstein][,][and] [the Grand Duchy of Luxembourg][,][and] [the Republic of Malta][,][and] [the Republic of Poland][,][and] [Romania][,][and] [the Slovak Republic][,][and] [the Republic of Slovenia][,][and] [the Kingdom of Spain][,][and] [the United Kingdom of Great Britain and Northern Ireland] ([collectively,] the <b>Public Offer Jurisdiction[s]</b>) to any person during the Offer Period. [The offers to be made in [each][the] Public Offer Jurisdiction[s] will be made [exclusively] by the Distribution Agent[s] and the agents appointed by the Distribution Agent[s] for this purpose.]</p>
<b>E.4</b>	<b>Interest of natural and legal persons involved in the issue/offer</b>	[Other than as mentioned in the relevant Elements above and so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.][●]
<b>E.7</b>	<b>Expenses charged to the investor by the Issuer or an offeror</b>	<p>[No expenses will be charged to investors by the Issuer or an offeror on top of the Issue Price.]</p> <p>[No expenses will be charged to investors by the Issuer or an offeror on top of the Issue Price[s] (which includes a Front-Up Commission of up to [5][●] per cent. of the [nominal amount] [●] per Note).][●]</p>

## **RISK FACTORS**

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

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are 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 contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay principal or other amounts under or in connection with the Notes may occur for other reasons, which may not be or may not have been considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

## **2. RISK FACTORS RELATING TO THE ISSUER (AND THE GUARANTOR, AS APPLICABLE)**

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

The Issuer was incorporated on 02 December 2004 and therefore has a limited operating history that can be evaluated as a basis for the Issuer's potential performance and the ability to achieve its investment objectives. Consequently, the possibility to assess the Issuer's business plan is limited.

Therefore, any investment in the Notes is subject to the uncertainties associated with the business model and any related operational misjudgement may have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Notes.

In addition, the Issuer is a start-up company with a high-risk business model, which currently generates no revenues but is exclusively active in research and development. It is entirely dependent on the success of new technologies which have not yet been established and for which it is uncertain whether they can generate revenues. Furthermore, it is uncertain whether the planned expansion of business activities, i.e. the production and sale of battery systems, will show the promised success.

Since 2016, the Issuer has amended its business activities from IT-services and consulting and asset management of own assets to an operational activity in the field of research and development of battery systems and plans to start production. As a start-up company in this field, the Issuer plans to produce the battery systems developed at its own site in Mönchengladbach (rented industrial property) and to sell these products in various markets in addition to the ongoing further development of the technology. For this purpose, the Issuer has received exclusive, perpetual and non-cancellable license from licence holders, for the exploitation of patents and utility models in the field of battery storage systems and battery packs. The Issuer's activities will also include the sublicensing of these technology licenses. The core components of the battery systems produced are also to be sold to these sub-licensees. The Issuer is not yet generating any turnover from this new business area of battery storage systems. For its economic success, the Issuer relies, among other things, on successful research and development activities and the successful acquisition of sublicensees and customers for its battery systems. It is therefore entirely dependent on the success of a hitherto unestablished technology, for which it is uncertain whether it will be accepted on the market and whether it will generate revenues. The future development of the Issuer is therefore difficult to predict. Due to the uncertainties in this context, the

Issuer's business model is a high-risk business model. There can be no guarantee that the Issuer will succeed in establishing its new business activities and achieve the desired economic success.

The planned growth depends in particular on the ability of the Issuer to manufacture marketable products from the technologies for which patents have been applied, to successfully launch and sell the battery storage systems on the market and/or to successfully market the other products resulting from further research and development activities and to successfully license the technologies to other licensees. Successful marketing requires a development strategy and a market strategy geared to the target markets. If the Issuer does not succeed or does not succeed to a sufficient extent in marketing, or if the strategies applied turn out to be partially or completely wrong, this may have significant negative effects on the activities of the Issuer.

The issuer's production site in Mönchengladbach is currently being set up. The Issuer cannot draw on its own experience and practice in the production of battery systems. There is therefore a risk that the Issuer will not be able to produce the battery systems within the planned time frame and at the planned cost, or that it will not be able to produce the announced number of units within a certain period of time. In addition, the expansion of production capacities requires a time lead both for the procurement of the required machines and for the acquisition of the necessary employees.

In the automotive sector, the OEMs (Original Equipment Manufacturers) or system suppliers (also known as Tier 1 and Tier 2 suppliers) can be considered as licensees and buyers. In the area of charging systems, both the manufacturers of charging systems and the operators of charging infrastructures can be considered as licensees and purchasers. In the field of energy storage systems, the manufacturers of such systems are eligible as licensees and purchasers in sub-areas of house storage systems, industrial storage systems, "island" systems (network-independent systems) and the new market segment of transportable energy storage systems (e.g. network-independent systems on construction sites, etc.), wholesalers and retailers and, where applicable, end customers.

If the Issuer does not succeed in marketing the respective licenses and/or the products, or does not succeed in marketing them sufficiently, and/or if the costs of implementing the strategy are higher than those forecast by the Issuer, this may have a material adverse effect on the business activities of the Issuer.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

## **2.2 Risks in connection with the dependency on key personnel, internal personnel and internal structures, in particular through planned growth**

The operations of the Issuer are dependent on the abilities of the members of its Board of Directors. If one or more of such persons are unable or unwilling to continue in their present position, the Issuer might not be able to replace them within a short term and this could affect the profitability of the Issuer's operations.

The planned expansion of the Issuer's business activities requires the (further) development of appropriate internal organisational, risk monitoring and management structures in line with growth, which enable undesirable developments and risks to be identified at an early stage. This is particularly true here, as the research and development activities were only started approximately three years before the date of the Base Prospectus and production is not scheduled to start until the second half of 2019 at the earliest. In addition, the Issuer intends to change its legal form and to convert into a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), therefore the management does not yet have any experience with the legal structures of a German partnership limited by shares. In the past, the internal organisation was not in all areas carried out in the way that would have been necessary in a partnership limited by shares. In addition, the workforce is to be significantly expanded and entire departments or structures below the complementary level are to be established for the first time. In addition to building up the know-how required to expand the business in the Issuer below the general

partner level, this also includes hiring various highly qualified employees. The expansion of business operations and of the internal and external organization entail, among other things, financial and personnel expenses. Should gaps or deficiencies in the existing risk monitoring and management system become apparent in ongoing practice, or should management be unable to create appropriate structures and systems in a timely manner in connection with the planned further growth and to implement the pending increases in personnel by recruiting appropriately qualified employees in a timely manner and without unforeseen difficulties, this could lead to restrictions in the ability to identify and control risks, trends and undesirable developments in a timely manner.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

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

***The Issuer's business success depends on its successful research and development of packaging solutions for battery systems.***

The planned establishment and expansion of the Issuer's business activities requires the successful research and development of packaging solutions for battery systems on the basis of lithium-ion round cells with the aim of continuously further developing the battery storage systems and the underlying technology. For this purpose, the Issuer has issued an exclusive, temporally and spatially indefinite and not terminable license of licensors. Inter alia based on the patent-pending technology of licensors, the Issuer designs and develops energy storage systems (battery systems) as modules and as finished applications for both mobile and stationary applications (home and industrial storage). The Issuer intends to improve and further develop these technologies and produce its own battery packages.

The corresponding production of battery systems suitable for everyday use for various fields of application requires the continuous further development of technology and its adaptation to the specific requirements of the respective application. There is a risk that the Issuer will not succeed in correctly identifying the respective requirements in the aforementioned business segments and in adapting the respective product to them as part of the development, such as that the Issuer may not be able to market its products appropriately and find buyers for its products.

It is in the nature of research and development projects that approaches pursued may prove impracticable, ineffective or economically uninteresting. In this respect, it cannot be ruled out that individual or several development projects may not be recognized as a result, and that the time and financial expenditure for the research and development project in question may thus be useless.

Furthermore, there is a risk that certification of the Issuer's battery packs and the Issuer's products containing battery packs in accordance with existing or future standards will not be achieved to the intended extent and/or within the intended timeframe and insofar the distribution of such battery packs and products cannot be achieved to the intended extent and/or within the intended timeframe, which would have an effect in no, limited or timewise later turnover and income/profit of the Issuer.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***The Issuer's business model depends on the competitiveness of its battery storage systems and technologies.***

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

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

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***The Issuer is dependent on the supply industry and the availability of raw materials and intermediate products; if the Issuer is unable to purchase battery cells and other components in sufficient quantities and at marketable conditions, this could lead to production stoppages and/or price increases.***

The further growth of the Issuer also depends on its ability to procure the battery cells and other components of the battery packages required for the production of the battery systems in appropriate quantities and at reasonable prices. In order to ensure the supply of battery cells and other components in sufficient quantities at reasonable prices, the Issuer could also be forced to enter into cooperations or purchasing associations with other (possibly also competing) battery and battery package manufacturers.

Due to a possible excess demand for battery cells or other raw materials, the Issuer may also be unable to procure materials of the desired quality from other suppliers or only to procure them to the required extent at inappropriate conditions.

If one of the suppliers fails to meet its delivery obligations (e.g. due to insolvency or for other reasons) or fails to do so on time, and if the Issuer is unable to procure replacements elsewhere in good time, delays may occur in production and sale of battery systems, which may lead to production losses and thus to loss of earnings as well as possible contractual penalties or claims for damages, and in individual cases also to rights of withdrawal on the part of the Issuer's customers.

In addition, the prices to be paid for raw materials and intermediate products are subject to strong fluctuations in some cases, which may lead to an increase in the Issuer's purchase costs. Such price increases may have a negative impact on the Issuer's profitability.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***The Issuer is heavily dependent on its (direct and indirect) limited partner shareholder and managing director of the general partner, due to the controlling influence of this limited partner shareholder, the financing previously significant by this shareholder and its participation in various Timberland related companies including Timberland Securities Investment plc.***

Mr Kraemer is a direct limited shareholder and, via Timberland Securities Investment plc, an indirect limited shareholder and managing director of the general partner. Mr Kraemer is the sole shareholder of the general partner.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***The further growth of the Issuer is dependent on successful ongoing financing and the successful raising of capital to cover future capital requirements.***

The further development of battery storage technology and the financing of battery production through to the manufacture of complete battery storage systems involve considerable investment costs. It cannot be excluded that the production cannot be carried out within the planned budget, within the agreed schedule or in accordance with the agreed specifications or that individual producers of round cells or other components prove to be unsuitable. Should the investment costs turn out to be higher than expected, the Issuer's profitability would deteriorate, which could have a negative impact on the Issuer's net assets, financial position and results of operations.

The Issuer expects capital requirements to increase in the coming financial years as a result of the planned commencement of production and activities in the field of research and development. The Issuer may then be dependent on further capital. It cannot be excluded that the Issuer may not be able to raise additional funds or may not be able to do so on economically justifiable terms. This may result in the Issuer being unable to develop new products, market them or further develop the battery storage systems, which would prevent the planned expansion of its business activities. There is therefore a risk that the Issuer will not be in a position to cover its capital requirements with equity capital or debt capital made available to it at conditions it deems appropriate.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***Licensors to the Issuer may not be able to register as patents or utility models the battery storage systems and technologies on which the Issuer's business is or may be based in the future, which have been applied for in patents or utility models, or to protect other intellectual property rights of the Issuer.***

Licensors to the Issuer may have filed patents, utility models and designs for the battery storage systems and their technology and in other areas. Licensors have granted the Issuer an exclusive, perpetual and non-cancellable right to use certain battery storage systems and their technology. Licensors have granted the Issuer licenses on the basis of which the Issuer inter alia performs its research and development and production activities.

It cannot be excluded that the battery storage systems and technologies will not be registered as patents due to conflicting rights of third parties or other grounds for refusal.

Furthermore, it cannot be excluded that the battery storage systems can be copied despite existing patent protection. Competitors could infringe the patents and/or industrial property rights of Licensors. In addition, they could use technologies that function essentially like the battery storage systems of licensors to the Issuer and the Issuer itself without infringing patent and industrial property rights. If licensors are not able to effectively prevent the imitation of its products, this could endanger the competitiveness of the battery storage systems / technology.

If the battery storage systems and their technology cannot be registered as patents or utility models and other intellectual property rights cannot be adequately protected, this could have a material adverse effect on the business because competitors could copy and use the Issuer's battery storage systems and technologies without the Issuer being able to take legal action against them.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***Patent and property right infringements by the Issuer and Licensors to the Issuer could lead to the assertion of claims by third parties and endanger the legal status of the property rights.***

It cannot be ruled out that patents and industrial property rights of third parties which have not been recognized as such by the Issuer may lead to claims against Licensors to the Issuer as patent and utility model owner and/or against licensors to the Issuer or the Issuer as patent and utility model user.

The assertion of patent and property right infringements as well as the assertion of claims for damages can endanger the legal existence of property rights.

The mere allegation that licensors to the Issuer or the Issuer infringe the intellectual property rights of third parties could cause economic damage to the Issuer due to the important role that intellectual property rights play in technology sectors. All these risks can have a lasting negative impact on the Issuer's net assets, financial position and results of operations.

Litigation to confirm or enforce patent rights or patent usage rights of the Issuer and/or licensors to the Issuer to enforce payment claims against third parties based on patent infringements or to defend against alleged patent infringements can result in considerable costs and tie up personnel resources in addition to financial burdens.

Should licensors to the Issuer and/or the Issuer lose a legal dispute regarding industrial property rights, it cannot be ruled out that Licensors to the Issuer will lose the relevant patent protection. It may then no longer be able to prevent the use of one or more battery storage systems or the technology by others, in whole or in part, which may result in significant competitive disadvantages for the Issuer, whose business is based inter alia on the licensors technology and patent. In addition, the negative outcome of such proceedings may result in third parties being able to use the battery storage systems and/or the technology without payment to the respective patent and utility model users.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***The Issuer is subject to technology risks that new technologies devalue the development work performed by the Issuer and the existing patents and that the battery storage systems will no longer correspond to the current state of the art in the future.***

The market for battery storage systems is subject to constant and dynamic changes. There is a risk that new technologies will devalue the development work carried out by the Issuer and the existing patents and that the battery storage systems will no longer be state-of-the-art in the future. As a result, the use of battery storage systems may become uneconomical for the user/customer and marketing may no longer be possible or not possible to the intended extent. Adaptations to technological developments can be very cost-intensive or even impossible. Nor can it be ruled out that future technical problems may arise with the battery storage systems and/or the technologies of the associated companies, which are not foreseeable at the time this Base Prospectus is drawn up, so that the performance of the battery storage systems will be reduced in comparison with the market and competitors, if necessary significantly or even to zero.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***The Issuer is exposed to the risk of violating its business and trade secrets as well as its technologies and know-how.***

In addition to the patent rights applied for and thus protected, the Issuer also relies on certain technologies, know-how and trade secrets that cannot be protected by intellectual property rights. Therefore, there is a risk that third parties, in particular competitors, may copy or independently develop these technologies and know-how and later question their use by the Issuer. In addition, employees regularly have access to relevant proprietary information that may or may not be protected by intellectual property rights. These employees could leave the Issuer to work for competitors. Although the Issuer implements and trusts confidentiality agreements and technical precautions to protect its technology, know-how and other sensitive information, there can be no assurance that such agreements and precautions will provide adequate protection against unauthorized access or use by third parties or against misappropriation or disclosure of such information. Protection against unauthorized use or access, misappropriation or disclosure of technology, know-how and other

proprietary information, including but not limited to the Issuer's trade secrets and trade secrets, may result in protracted and costly litigation or administrative proceedings and may cause substantial disruption to business operations and tie up resources otherwise required.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

***The Issuer is subject to certain Tax risks.***

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

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

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

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

**2.4 Risks in connection with laws and regulations, especially due to potential future business and/or subsidiaries and/or joint ventures and/or other form of cooperations**

The Issuer and/or a future subsidiary and/or joint venture and/or other form of cooperation may engage in the financing, leasing and or rental sales (*Mietkauf*) of battery packs, battery systems, electric cars and other products and services.

Such activities may have an impact on the regulatory treatment of the Issuer and/or a future subsidiary, joint venture or other form of cooperation, for instance in case the Issuer would set up a subsidiary, joint venture or other form of cooperation with the aim to increase distribution of its product and service – for instance via a financing, leasing and or rental sales company. Such a financing and/or leasing and/or rental sales company might be regulated under EU-laws or national laws for financial services.

In response to the global financial crisis, a number of regulatory initiatives have been (and are currently being) implemented, adopted, or developed, which could, if deemed applicable to the Issuer and/or a future subsidiary and/or joint venture and/or other form of cooperation, have a negative impact on the Issuer and its operations.

The Issuer may itself or by way of subsidiary enter into financing, leasing, rental sales agreements (*Mietkauf*) and/or other forms in connection with the financing of customers in connection with its products, which may incur that the Issuer itself, its subsidiary and/or as a group might get subject to before mentioned laws and regulations.

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

The Noteholders assume the credit risk of the Issuer. In the case of an insolvency of the Issuer and/or any existing or future subsidiary, the Noteholders may lose part or all of their claims to repayment of their invested capital.

## **2.6 Risks in connection with external factors**

The Issuer's overall performance and results may also be adversely affected by external factors beyond the Issuer's control, which include, amongst others, changes in the overall economic environment as well as with respect to political and market conditions.

## **2.7 Risks in connection with the impact of a downgraded credit rating**

The value of the Notes may be affected by investors' general appraisal of the Issuer's creditworthiness. Such perceptions may be influenced by any credit ratings which may, in the future, be assigned to the Issuer or any company which may form part of its group. A rating is, broadly, the opinion of a rating agency on the credit standing of an issuer, i.e., a forecast or an indicator of a possible credit loss due to insolvency, delay in payment or incomplete payment to the investors. It is not a recommendation to buy, sell or hold securities.

A rating agency may, in particular, suspend, downgrade or withdraw a rating. A rating may also be suspended or withdrawn if an issuer of notes were to terminate the agreement with the relevant rating agency or to determine that it would not be in its interest to continue to supply financial data to a rating agency. A downgrading of the rating may lead to a restriction of access to funds and, consequently, to higher refinancing costs. A rating could also be negatively affected by the soundness or perceived soundness of other institutions operating within the same sector as the Issuer or any company which may form part of its group.

Any downgrade of a credit rating which may, in the future, be assigned to the Issuer and/or any company which may form part of its group could have a material adverse effect on the liquidity and competitive position of the Issuer, undermine confidence therein, increase its borrowing costs, limit its access to funding and capital markets and/or limit the range of counterparties willing to enter into transactions with the Issuer and may, as a consequence, have a material adverse effect on the Issuer's business, financial condition and results of operations.

## **2.8 Risks in connection with new governmental or regulatory requirements**

New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could potentially subject the Issuer to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.

### ***Changes in Recognition of Own Funds***

Due to regulatory changes, certain existing capital instruments which may be issued by the Issuer in the future may be subject to (gradual) exclusion from own funds or reclassification as a lower category form of own funds.

### ***Changes in CET 1 Criteria***

In the course of the global financial crisis, the rules on own funds have come under scrutiny by legislators, regulators and advisory bodies (e.g. the BCBS). In the event that the Issuer were deemed to fall within the remit of the CRD IV/CRR regime, legislative or regulatory changes in the current

definitions of what is deemed to qualify as CET 1 capital could reduce the Issuer's CET 1-ratio or otherwise reduce the (eligible) own funds on an individual or a consolidated basis. There can be no assurance that any further changes of the applicable rules as aforesaid, adequate grandfathering or transition periods will be implemented to allow the Issuer, if it were deemed to fall within the remit of the CRD IV/CRR regime, to repay or replace such derecognised CET 1 or other own funds instruments in a timely fashion or on favourable terms. In such case, the Issuer may need to obtain additional own funds or other eligible capital in the future, and such funds, whether in the form of ordinary shares or other capital, may not be available on attractive terms, or at all.

### ***Consolidation***

If the Issuer were deemed to fall within the remit of the CRD IV/CRR regime, then, in addition to potentially complying with capital requirements on an unconsolidated basis, the Issuer itself or group related entities may also be subject to capital requirements on a consolidated basis. Furthermore, any future shareholders of the Issuer which are subject to local supervision in their country of incorporation may, on an individual and on a consolidated basis, be required to comply with applicable local regulatory capital requirements. It is therefore possible that individual entities which may form part of the group of the Issuer may require more own funds, even though the own funds of the Issuer on a consolidated basis are sufficient.

### ***Stricter and Changing Accounting Standards***

Prospective changes in accounting standards as well as those imposing stricter or more extensive requirements for assets to be carried at fair value could also impact Issuer's capital needs.

### ***Other Initiatives***

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

### ***Impact***

In the event that any one or more of the foregoing matters mentioned in this risk factor were to apply to the Issuer and/or to any member which may form part of its group, this could have a negative impact on the business of the Issuer, the products and services it offers as well as the value of its assets, and may require the Issuer to change the manner in which it conducts its business.

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

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

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

The Issuer is exposed to operational risk, which is the risk of loss resulting from inadequate or failed internal processes, human errors, malfunctioning systems or from external events, including in particular legal, regulatory and compliance risk. The Issuer is also susceptible to, among other things, operational errors, clerical or record-keeping errors and errors resulting from faulty computer or telecommunications systems.

Any inadequacy of the Issuer's internal processes or systems in detecting or containing such risks as aforesaid could have a material adverse effect on Issuer's business, financial condition, operation results and prospects.

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

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

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

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

Any of these factors could, in the event that an acquisition is pursued, lead to unexpected losses for the Issuer which may have a material adverse effect on the Issuer's business, financial condition and results of operations.

#### **2.13 Risks in connection with the United Kingdom in regard to the termination of EU-Membership**

In 2016, the United Kingdom has voted in a referendum to leave the EU, commonly referred to as Brexit. The political, economic and legal consequences of Brexit (especially with respect to a so-called hard Brexit) are not yet known or foreseeable and there may be increased volatility in the financial markets. Thus, the aforementioned referendum may have a negative impact on both the economies of the countries in which the Issuer currently operates and with respect to the financial industry as a whole. Furthermore, prospective investors should note that the UK's exit from the EU could limit market access for the sale and distribution of financial products therein.

#### **2.14 Potential conflict of interest, inter alia due to the Controlling Shareholder of the Issuer being Member of the Board of Directors of the Issuer and the Guarantor and persons being Member of the Board of Directors of the Issuer and Member of the Board of Directors of the Guarantor**

There are conflicts of interest arising from the fact, that the controlling shareholder Mr. Thomas Kraemer is a Member of the Board of Directors of the Issuer and the indirect controlling shareholder and a Member of the Board of Directors of the Guarantor, which is the Guarantor for guaranteed Notes under this Base Prospectus.

There are also conflict of interest arising from the fact, that Mr. Dirk Koester is a Member of the Board of Directors of the Issuer and a Member of the Board of Directors of the Guarantor.

This could generate conflicts of interest, which may, if not properly managed, affect the value of the Notes.

These persons may face a conflict of interest between their obligations as acting as the Board of Directors of the Issuer of such Notes and their obligations as acting as the Board of Directors of the Guarantor, whereby for instance (i) the interest of the Guarantor and/or its shareholder(s) may be diametral diverging from the interest of the Issuer and (ii) the interest of the Issuer and/or its (indirect) shareholder(s) may be diametral diverging from the interest of the Guarantor.

The above situations may result in consequences which may be adverse to Noteholders. Each the Issuer and the Guarantor, each its members of the Board of Directors, employees, officers and/or (indirect) shareholder(s), assume no responsibility whatsoever for such consequences and their impact on Noteholders.

**Risks associated with the lack of independence of the Issuer, the Guarantor, any of its affiliates, any of its related companies, any third party, and their shareholders, members of the Board of Directors, employees and/or officers**

The Issuer will act as Issuer under the Programme, while it has relationships with related parties, such as, but not limited to, the Guarantor, and third parties. As a result, investors will be exposed to without limitation inter alia operational risks arising from the lack of independence of the Issuer, the Guarantor, any of their affiliates, any of their related companies and/or any third party, in assuming their duties and obligations as defined in the relevant Final Terms and as furthermore relationships may apply which are not expressly mentioned in the relevant Final Terms.

Such actions and conflicts may include without limitation granting of loans, pledges of rights and other legal instruments for without limitation inter alia securing rights, purchase- and/or repurchase-agreements, leasing, other financing and/or guarantee agreements, consulting and/or advisory services, IT-services, other services, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The potential conflicts of inter alia interests, actions and operational risks arising from such lack of independence are in part intended to be mitigated. However, the possibility of conflicts of interest arising cannot be wholly eliminated. However, the Issuer, the Guarantor and any third party have no obligation to disclose such information about such actions and conflicts of interests. The Issuers, the Guarantor and any other third party and their officers and directors may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on any Note.

The Issuer, the Guarantor, any of its affiliates, any of its related companies and/or any third party, in connection with their other business activities, may possess or acquire material and/or confidential information about the Issuer, the Guarantor, and/or their business including their economical and financial position as well in regard to, if any, existing or future related entities and/or subsidiaries which are not public knowledge, and which are or could be important to the Notes. There is no obligation on the Issuer, the Guarantor or any Distributor to disclose to Noteholders any such information.

Such business activities and such material and/or confidential information may cause consequences adverse to the Noteholders.

Although the Issuer and the Guarantor are each required to fulfil their duties in good faith in exercising reasonable judgement, potential conflicts of interest may exist between each of them and/or each or any of them and the Noteholders, including with respect to certain determinations or certain judgments that they may do.

In particular, the following potential conflicts of interest could inter alia beside further potential conflicts of interest, that may exist or may exist in the future, and may exist in connection with any issue of Notes in the context of this Programme:

- The Issuer, the Guarantor, the Distributor(s), the Paying Agent(s), the Registrar- and Transfer Agent(s), the Fiscal Agent(s) and any of its affiliates, any of its related companies and/or any third party including their Board of Directors, Managers, employees and/or officers may have relations to each other with or without connection to the Notes under this Base Prospectus. A deterioration of a credit risk of the Issuer, the Guarantor and/or any service provider may have a negative impact on the obligations of each of the entities listed above in relation to the Notes. If one of these entities does not respect its obligations towards the Issuer and/or the Guarantor, this could have a negative impact on the Noteholders;

- in the normal course of their activity, the Issuer, the Guarantor and any of their affiliates, any of their related companies and/or any third party may accept investments and loans from, make investments or loans or otherwise extend credit to, and generally engage in any kind of commercial or investment activity or banking, advisory or other business transactions or relationships with companies whose assets/securities are in relation to the Issuer and/or the Guarantor and could be deemed to be contrary to the interests of the Noteholders; and

-the Issuer, the Guarantor and any of their affiliates, any of their related companies and/or any third party, or one or more of their affiliates, may engage in trading and other business activities relating to assets and/or securities being held or in future be held by the Issuer and/or the Guarantor.

Where Notes are offered to the public, as the relevant Distributor(s) may act pursuant to a mandate granted by the Issuer and/or the Guarantor and they receive fees on the basis of the services performed and the outcome of the placement and/or distribution of such Notes, potential conflicts of interest may arise.

Each the Issuer and the Guarantor, each it's members of the Board of Directors, employees, officers and/or (indirect) shareholder(s), assume no responsibility whatsoever for such consequences and their impact on Noteholders.

### **Post issuance information**

Each the Issuer and the Guarantor will not provide any post issuance information, except if required by any applicable laws and regulations.

## **2.15 Risks relating to the Guarantor**

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

The Guarantor, an unregulated company whose primary business is acting as (sub-) arranger for certain issuers of financial instruments (such a bonds or index-linked notes), was incorporated on 30 January 2015 and therefore has a limited operating history or a limited proven track record that can be evaluated as a basis for the Guarantor's potential performance and the financial ability to act as a guarantor (especially with the obligations to pay principal and interest).

### ***Risks in connection with the Guarantor's principal business***

The core business of the Guarantor consists of acting as (sub-) arranger in respect of the issuance of certain bonds (or other financial instruments) by, inter alia, Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A., Timberland Investment S.A. Notwithstanding the fact that the Guarantor receives a customary remuneration for the services rendered as a (sub-) arranger, it cannot be ruled that the fees and income generated are sufficient to cover all and any payment obligations as stipulated under the terms of the Guarantee or Guarantee II (as applicable).

The occurrence of the above described scenario may affect (or limit) the Guarantor's ability to perform the obligations under the terms of the Guarantee or Guarantee II (as applicable).

***Risks in connection with the Guarantor's investment decisions***

In addition to the business activities as set out above, the Guarantor is also a so-called frequent issuer that issues financial instruments (i.e. certain types of bonds) on a regular basis to finance its principal business and support its business activities. The proceeds received from the sale of such bonds may, in order to generate additional revenues besides the remunerations received for the services rendered as (sub-) arranger, be invested by the Guarantor in other financial instruments, including, without limitation, shares, bonds, securitised debt instruments, money market instruments and units in collective investment schemes. As such investments will be subject to normal market fluctuations and the risks inherent in all investments of this type (e.g. insolvency of the respective obligor of such debt financial instrument), it cannot be ruled out that the Guarantor may lose all or part of the moneys invested which are not only required to redeem its own capital markets liabilities stemming from bonds issued) but also may limit the financial capability to ensure full payment under the obligations under the terms of the Guarantee or Guarantee II (as applicable).

The occurrence of the above described scenario may affect (or limit) the Guarantor's ability to perform the obligations under the terms of the Guarantee or Guarantee II (as applicable).

***Risks in connection with the fact that Guarantor's is an issuer of bonds with special regulatory features***

As mentioned above, the Guarantor issues financial instruments (i.e. bonds) on a regular basis. Although the Guarantor is not a regulated company (subject to, inter alia, regulatory capital requirement provisions or other legal regimes applicable to investment firms, banks and other financial intermediaries) and consequently not obliged or mandatorily required to fulfil certain regulatory prerequisites, but due to the nature of certain bonds (e.g. contingent convertible bonds) issued in connection with, and under, officially approved prospectuses, it cannot be ruled out completely that the Guarantor may become subject to legal regimes and accompanying rules and provisions as mentioned above. This may have a negative impact on the Guarantor and future issuances of (e.g. contingent convertible) bonds and respective proceeds stemming from such issuances and which, amongst others, serve as a source to generate additional revenues and income (as describes in the risk factor directly above).

The occurrence of the above described scenario may affect (or limit) the Guarantor's ability to perform the obligations under the terms of the Guarantee or Guarantee II (as applicable).

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

Besides acting as a guarantor for certain Notes issued under this Base Prospectus, the Guarantor may provide security for, or act as a guarantor with respect to, financial instruments issued by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A., Timberland Investment S.A. and/or any other securitisation vehicle in respect of which the Issuer may act as (sub-) arranger in the future without the mandatory necessity to receive a customary remuneration. In the event that one or more of the aforementioned issuers defaults on its payment obligations under the respective financial instruments which have been guaranteed and/or secured in the instances prescribed above, and corresponding claims of secured third-parties have to be paid, this may impact (or limit) the ability of the Guarantor to fulfil its obligations provided for in the Guarantee or Guarantee II (as applicable).

The occurrence of the above described scenario may affect (or limit) the Guarantor's ability to perform the obligations under the terms of the Guarantee or Guarantee II (as applicable).

***Risks in connection with a possible insolvency of the Guarantor (or the Successor Guarantor(s) as applicable)***

The Noteholders assume not only the credit risk of the Issuer but also of the Guarantor (or the Successor Guarantor, as applicable). In the case of insolvency (or similar cases) of both the Issuer and the Guarantor, the Noteholders may lose part or all of their claims to repayment of their invested capital.

***Potential conflict of interest, inter alia due to the indirect controlling shareholder of the Guarantor being Member of the Board of Directors of the Issuer and the Guarantor and one or more persons being Member of the Board of Directors of the Issuer and Member of the Board of Directors the Guarantor***

There are conflicts of interest arising from the fact, that the indirect controlling shareholder of the Guarantor, Mr. Thomas Kraemer is a member of the Board of Directors of the Issuer and a Member of the Board of Directors of the Guarantor.

There are also conflicts of interest arising from the fact, that Mr. Dirk Koester is a member of the Board of Directors of the Issuer and a Member of the Board of Directors of the Guarantors.

This could generate conflicts of interest, which may, if not properly managed, affect the value of the Notes.

More concrete both persons may face a conflict of interest between their obligations as acting as the Board of Directors of the Issuer of such Notes and their obligations as acting as the Board of Directors of the Guarantor, whereby for instance (i) the interest of the Guarantor may be diametral diverging from the interest of the Issuer and (ii) (i) the interest of the Issuer may be diametral diverging from the interest of the Guarantor.

The above situations may result in consequences which may be adverse to Noteholders. The Issuer assume no responsibility whatsoever for such consequences and their impact on Noteholders.

***Potential conflict of interest, inter alia due to the indirect controlling shareholder of the Guarantor being Member of the Board of Directors of the Issuer and the Board of Directors of the Guarantor and persons being Member of the Board of Directors of the Issuer and Member of the Board of Directors the Guarantor***

There are conflicts of interest arising from the fact, that the indirect controlling shareholder of the Guarantor, Mr. Thomas Kraemer, is a member of the Board of Directors of the Issuer and it's Limited partner and a Member of the Board of Directors of the Guarantor.

There are also conflicts of interest arising from the fact, that Mr. Dirk Koester is a member of the Board of Directors of the Issuer and a Member of the Board of Directors of the Guarantor.

This could generate conflicts of interest, which may, if not properly managed, affect the value of the Notes.

Both persons may face a conflict of interest between their obligations as acting as the Board of Directors of the Issuer of such Notes and their obligations as acting as the Board of Directors of the Guarantor, whereby for instance (i) the interest of the Guarantor and/or its shareholders may be diametral diverging from the interest of the Issuer and (ii) the interest of the Issuer and/or its (indirect) shareholders may be diametral diverging from the interest of the Guarantor.

The above situations may result in consequences which may be adverse to Noteholders. Each the Issuer and the Guarantor, each it's members of the Board of Directors, employees, officers and/or (indirect)

shareholder(s), assume no responsibility whatsoever for such consequences and their impact on Noteholders.

***Risks associated with the lack of independence of the Issuer, the Guarantor, any of its affiliates, any of its related companies, any third party, and their shareholders, members of the Board of Directors, employees and/or officers***

The Guarantor will act as Guarantor to certain Notes issued under the Programme, while it has relationships with related parties, such as, but not limited to, the Issuer, and third parties. As a result, investors will be exposed to inter alia operational risks arising from the lack of independence of the Guarantor, the Issuer, any of its affiliates, any of its related companies and any third party, in assuming its duties and obligations as defined in the relevant Final Terms and as furthermore relationships may apply which are not expressly mentioned in the relevant Final Terms.

Such actions and conflicts may include without limitation granting of loans, purchase- and/or repurchase-agreements, leasing, other financing and/or guarantee agreements, consulting and/or advisory services, IT-services, other services, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The potential conflicts of inter alia interests, actions and operational risks arising from such lack of independence are in part intended to be mitigated. However, the possibility of conflicts of interest arising cannot be wholly eliminated. However, the Issuer, the Guarantor and any third party have no obligation to disclose such information about such actions and conflicts of interests. The Issuer, the Guarantor and any other third party and their officers and directors may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on any Note.

The Guarantor, the Issuer, any of its affiliates, any of its related companies and/or any third party, in connection with their other business activities, may possess or acquire material and/or confidential information about the Guarantor, the Issuer, and/or their business including their economical and financial position as well in regard to, if any, existing or future related entities and/or subsidiaries which are not public knowledge, and which are or could be important to the Notes. There is no obligation on the Guarantor, the Issuer or any Distributor to disclose to Noteholders any such information.

Such business activities and such material and/or confidential information may cause consequences adverse to the Noteholders.

Although the Guarantor and the Issuer are required to fulfil their duties in good faith in exercising reasonable judgement, potential conflicts of interest may exist between each of them and/or each of them and the Noteholders, including with respect to certain determinations or certain judgments that they may do.

In particular, the following potential conflicts of interest could inter alia beside further potential conflicts of interest, that may exist or may exist in the future, may exist in connection with any issue of Notes in the context of this Programme:

- The Issuer, the Guarantor, the Distributors, the Paying Agent(s), the Registrar- and Transfer Agent(s), the Fiscal Agent(s) and any of its affiliates, any of its related companies and/or any third party including their Board of Directors, Managers, employees or officers may have relations to each other with or without connection of the Notes under this Base Prospectus. A deterioration of a credit risk of the Issuer, the Guarantor and/or any service provider may have a negative impact on the obligations of each of the entities listed above in relation to the Notes. If one of these entities does not respect its obligations towards the Issuer and/or the Guarantor, this could have a negative impact on the Noteholders;

- in the normal course of their activity, the Guarantor, the Issuer and any of their affiliates, any of their related companies and/or any third party may accept investments and loans from, make investments or loans or otherwise extend credit to, and generally engage in any kind of commercial or investment activity or banking, advisory or other business transactions or relationships with companies whose assets/securities are in relation to the Issuer and/or the Guarantor and could be deemed to be contrary to the interests of the Noteholders; and

-the Guarantor, the Issuer and any of its affiliates, any of its related companies and/or any third party, or one or more of their affiliates, may engage in trading and other business activities relating to assets and/or securities being held or in future held by the Issuer and/or the Guarantor.

Where Notes are offered to the public, as the relevant Distributor(s) may act pursuant to a mandate granted by the Guarantor and/or the Issuer and they receive fees on the basis of the services performed and the outcome of the placement and/or distribution of such Notes, potential conflicts of interest may arise.

Each the Issuer and the Guarantor, each it's members of the Board of Directors, employees, officers and/or (indirect) shareholder(s), assume no responsibility whatsoever for such consequences and their impact on Noteholders.

#### ***Post issuance information***

Each the Issuer and the Guarantor will not provide any post issuance information, except if required by any applicable laws and regulations.

### **3. MARKET RELATED RISK FACTORS**

#### **3.1 Risks in connection with the fact that the business success of the Issuer depends on the acceptance of the markets for e-mobility and for transportable and stationary energy storage systems**

The Issuer's business activities focus on the market for e-mobility and the market for transportable and stationary energy storage systems. The market segments are increasingly attracting public attention and are referred to as future technology, which is also the subject of critical observation by users and consumers. The market acceptance and hence the commercial success of the Issuer's battery storage systems depends on the demonstration of the effectiveness of the technology, its safety and cost-effectiveness, the complexity of the production and successful certification aimed at the core markets. In addition, market acceptance depends on public opinion on the market for e-mobility and battery storage systems in general and on the battery storage systems of the Issuer in particular. In this respect, it cannot be excluded that the Issuer and/or competitors may launch products on the market that cause damage to other legal interests and that the reputation of the entire market segment and thus also that of the Issuer may suffer as a result. If the Issuer's technology and/or battery storage systems are not sufficiently accepted by the market, this may have a material adverse effect on the business activities and their success.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

#### **3.2 Risks in connection with the fact that the Issuer's business success depends on the future development of electromobility (especially in the automotive sector) and/or portable and stationary energy storage systems**

The battery storage system of the Issuer is designed for all applications where high power and energy density and/or simple assembly and disassembly are required. These are primarily the area of e-mobility within the automotive sector and the market for transportable and stationary energy storage systems.

If the automotive sector does not develop as planned in the area of e-mobility and/or the area of transportable and/or stationary energy storage systems and/or if car manufacturers and/or other manufacturers in the area of e-mobility and/or buyers in the area of transportable and/or stationary energy storage systems may switch to other drive types or technologies or optimise existing drive types or technologies, this may result in the Issuer's plans turning out to be unrealistic. This in turn may have material adverse effects on the Issuer's business. The Issuer's success depends on the economic development of battery storage systems and technology. An unfavorable development can have a negative effect on the business activities and/or the net assets, financial position and results of operations of the Issuer.

If, in particular, the issue of electromobility does not remain an essential part of the mobility policy of industry and the public sector in the future, the awarding of contracts by industry and the public sector could suffer considerably. Furthermore, if the energy turnaround currently being driven by the German Federal Government and the resulting expected increase in demand for decentralised or local energy storage systems and/or corresponding developments in other countries (above all in Europe, the U.S.A., China, etc.) and/or on an international level should not materialise in the manner expected, this would lead to a reduction in sales and earnings, which in turn could have a material adverse effect on the Issuer's business activities and/or its net assets, financial position and results of operations.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

### **3.3 Risks in connection with sales problems relating to e-vehicles and e-mobility applications as well as stationary energy storage systems in the market**

It is currently impossible to assess whether and how quickly the energy revolution and the resulting phase-out of energy generation from fossil fuels and nuclear power can be realized, and whether and how quickly e-mobility will develop further or even gain acceptance, and whether manufacturers will possibly switch to other drives or optimize existing drives. As a result, the Issuer's future business plans may prove unrealistic in whole or in part and not only may the planned turnover and earnings not be achieved, but investments may prove to be erroneous and loss-making.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

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

The Issuer intends to conduct transactions (sales) with customers, suppliers and dealers as part of its business activities. There is a risk that one or more of these counterparties may become insolvent and be unable to meet their obligations to the Issuer. In particular, if one of the Issuer's principal clients becomes insolvent or in financial difficulty, the Issuer may not be able to collect any outstanding debt and may be required to write off the debt. Significant or recurring delays in receiving payments or defaults could have a material adverse effect on the Issuer.

Any of the aforementioned circumstances could have an adverse effect on the Issuer's net assets, financial position and results of operations.

### **3.5 Risks in connection with the intended change of the legal structure from a Limited Partnership with a limited liability company as General Partner (*GmbH & Co KG*) into a partnership limited by shares (*Kommanditaktiengesellschaft*)**

The Issuer intends to change its legal form into a company limited by shares (*Kommanditgesellschaft auf Aktien* (hereinafter also referred to as "**KGaA**")) which is a mixed form of limited partnership and stock corporation. In addition to a personally liable shareholder (general partner), who manages the Issuer's business as a so-called "born" business body, i.e. on a permanent basis and not for a specific

period of time, the limited liability shareholders participate in the Issuer in a similar way to the shareholders of a stock corporation. The General Partner of the Issuer is E-Stream Management GmbH with its office in Krefeld (hereinafter also referred to as the "**General Partner**"). Mr Kraemer holds 100% of the shares in the General Partner.

This may have an impact on the Issuer in regard to tax due to but not limited to the German conversion tax law ("*Umwandlungssteuerrecht*"), organizational structure, conversion costs, costs and further risks due to the issuing shares and/or mandatory convertible bonds (*Pflichtwandelanleihen*) and compliance costs and risk in connection with the intended legal form.

#### ***About the legal form of partnership limited by shares (Kommanditaktiengesellschaft)***

The rights and influence of the limited liability shareholders (hereinafter also referred to as "**shareholders**") in a KGaA, including the Issuer in case of a conversion of its current legal form, are in some cases considerably limited compared to a stock corporation. According to applicable law, the shareholders cannot exert any influence on personnel or factual decisions concerning the management of the Issuer via the Supervisory Board. The general partner is entitled and obliged to manage the Issuer's business without requiring appointment by the Supervisory Board. The appointment of the managing directors (management) is made by the general partner's shareholders' meeting without the Supervisory Board or the General Meeting being able to exert any influence. The dismissal of members of the Executive Board by the Supervisory Board for important reasons is also excluded. In accordance with the future Issuer's Articles of Association, shareholders may resolve to exclude the general partner at the Annual General Meeting. However, this requires a majority of as intended by the Issuer of 95% of the share capital represented.

The Supervisory Board of a KGaA, unlike that of a stock corporation, is not entitled to make certain business decisions in its own right dependent on its consent or to issue a catalogue of consent with regard to these certain business decisions. In accordance with the statutory provisions governing the KGaA and the Issuer's Articles of Association, capital increases, other amendments to the Articles of Association, the general partner change and other fundamental resolutions pursuant to section 285 (2) sentence 1 German Stock Corporation Act (*Aktiengesetz*) can only be resolved with the consent of the general partner. Such a right of veto is explicitly not waived under the intended new Issuer's statutes. This means that shareholders are dependent on the consent of the general partner for fundamental decisions. According to the Issuer's intended Articles of Association, the withdrawal of the general partner's management and representation powers, its exclusion or the withdrawal of other rights of the general partner such as its right to approve certain resolutions of the Annual General Meeting requires court proceedings with corresponding objectives, in the context of which in particular the principle of proportionality is to be examined, and a resolution of the Annual General Meeting to initiate such court proceedings, which is to be adopted with a majority of 95% of the capital represented. In addition, such withdrawal or exclusion is only possible if there is an important reason within the meaning of the Articles of Association. According to the Issuer's intended articles of association, the shareholders' right to object to the general partner's actions that go beyond the normal operation of the Issuer's commercial activities is also excluded. Mr Kraemer, the sole shareholder of the general partner, controls E-Stream Energy Management GmbH and is also one of the three managing directors of the general partner.

In contrast to a stock corporation, the limited shareholders' ability of the Issuer's future limited shareholders to exercise their influence at the Annual General Meeting and indirectly via the Supervisory Board vis-à-vis the management could have an impact on investors' interests and lead to a reduction in the value of the shares compared to companies in the legal form of a stock corporation.

#### **4. RISK FACTORS RELATING TO THE NOTES**

All recipients of this Base Prospectus and prospective investors are urged to consult an investment advisor as to the suitability or otherwise of an investment in any of the Notes before making an investment decision. An informed investment decision can only be made by investors after they have

read and fully understood this Base Prospectus, and, in particular, the Terms and Conditions, the risk factors associated with an investment in the Notes, the risk factors associated with the markets generally, and the inherent risks associated with the Issuer's business. In the event that an investor in the Notes does not seek professional advice and/or does not read and fully understand the provisions of this Base Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

#### **4.1 General Risks**

##### ***The Notes may be complex financial instruments and may not be suitable for certain investors***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

##### ***Change of law***

The respective Terms and Conditions of the Notes are based on Luxembourg law and, with respect to certain provisions, Maltese Law now in force. No assurance can be given as to the impact of any possible judicial decision or change in applicable laws or administrative practice after the date of this Base Prospectus.

##### ***Changes in interest rates***

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. A Noteholder is exposed to the risk that the price of such Note falls as a result of changes in the market rate of interest. While the rate of interest of a fixed rate note is fixed during the life of such Note, the current rate of interest in the capital markets (so-called market rate of interest) typically changes on a daily basis. As the market rate of interest changes, the price of a fixed rate note also changes, but in the opposite direction. If the market rate of interest increases, the

price of a fixed rate note typically falls, until the yield of such Note is approximately equal to the market rate of interest. If the market rate of interest falls, the price of a fixed rate note typically increases, until the yield of such Note is approximately equal to the market rate of interest. If the Noteholder of a fixed rate note holds such Note until maturity, changes in the market rate of interest are without relevance to such Noteholder as the Note will be redeemed at the principal amount of such Note.

### ***Commissions to be paid by the Issuer***

Distribution commissions or other similar fees charged by the Issuer's distribution agents reduce the total amount of the net issue proceeds. Therefore, the issue proceeds available to the Issuer for the purpose of investing in financial instruments or other assets may be reduced accordingly.

### ***Costs relating to the purchase and sale of the Notes***

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes.

To the extent that credit institutions are involved in the process for the purchase or sale of Notes, prospective investors should note that such credit institutions may charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. In the event that additional parties are involved in the process for the purchase or sale of Notes (including, for instance, domestic dealers or brokers in foreign markets), Noteholders may also be charged brokerage fees, commissions and other fees and expenses. In addition to costs directly related to the purchase of Notes, investors may also be charged other costs, such as custody fees and the fees of any central securities depository with and through which any Notes may be dematerialised.

Investors should inform themselves about any additional costs incurred in connection with, amongst others, the purchase, custody or sale of the Notes before investing in the Notes. Prospective investors should note that these costs may significantly reduce or eliminate any profits which may be derived from investing in the Notes.

### ***Credit ratings and other ratings***

Any rating which may, in the future, be assigned to the Notes, may not adequately reflect all risks of the investment in such Notes. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of the Notes. A (credit) rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### ***Currency risk***

A Noteholder denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks. A change in the value of any currency other than euro against the euro, for example, will result in a corresponding change in the euro value of a Note denominated in a currency other than euro and the euro value of interest and principal payments, if any, made in accordance with the terms of such Note. If the underlying exchange rate falls and the value of the euro correspondingly rises, the price of the Note and the value of interest and principal payments, if any, made thereunder expressed in euro falls.

### ***Early redemption***

The Notes are redeemable in whole at the option of the Issuer prior to the relevant maturity date (in cases there is a maturity date) in the instances prescribed in the Terms and Conditions. Any decision by the Issuer as to whether it will redeem the Notes will be made at the absolute discretion of the Issuer. The feature allowing for optional redemption may condition the market value of the Notes and

there can be no guarantee that the Noteholders may be able to re-invest the proceeds of such redemption at equivalent or higher rates of return.

In addition, the Issuer will always have the right to redeem the Notes if the relevant Issuer and/or Guarantor are required to pay additional amounts (gross-up payments) on the Notes for reasons of taxation as set out in the Terms and Conditions.

Further, prospective investors should note that, in the event that the Issuer were to be deemed to fall within the remit of the CRR, any redemption before the applicable maturity date would be subject to the prior permission of the competent authority pursuant to Article 78(1) of the CRR. Under the CRR, the competent authority may only permit institutions to redeem Tier 2 instruments such as the Notes if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the competent authority in its assessment of whether or not to permit any redemption or repurchase. It is uncertain how the competent authority will apply these criteria in practice and such rules and standards may change during the maturity of the Notes. It is therefore difficult to predict whether, and if so, on what terms, the competent authority will grant its prior permission for any redemption or repurchase of the Notes.

### ***Functionality of the relevant Clearing System, Distribution Agents and/or any relevant Central Securities Depository***

The transfer or registration (as applicable with respect to each type of Notes) of Notes through different clearing systems, such as Clearstream Banking AG and/or Clearstream Banking S.A. and/or Euroclear Bank S.A./N.V. and/or the Central Securities Depository of the Malta Stock Exchange and/or OeKB CSD GmbH and/or in the case of registered Notes through distribution agents and further distributors as appointed from time to time. The Issuer does not assume any responsibility as to whether the Notes are actually transferred to the securities portfolio of the relevant investor. Noteholders have to rely on the functionality of the relevant clearing system and, in the case of registered Notes, on the systems of the relevant distribution agents, other distributors appointed from time to time and, in the case of series of Notes issued in dematerialised form, any central securities depository with and through which any series of Notes may be dematerialised. In the event of operational failure of such functionality and/or systems, including the systems of any central securities depository, Noteholders can be negatively affected.

### ***Future public offers***

No prediction can be made about the effect which future public offers of the Issuer's securities or any takeover or merger activity involving the Issuer, if any, would have on the market price of the Notes prevailing from time to time.

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

There is no restriction on the amount of debt that the Issuer may borrow on an equal footing or with priority with the Notes. Any assumption of additional liabilities by the Issuer which are not subordinated to the Notes increases the debt of the Issuer and may reduce the amount that the Noteholders of the Notes will receive on their claims in the event of the liquidation or insolvency of the Issuer.

### ***Dependency on refinancing for the repayment of Notes***

It cannot be ruled out that the Issuer will be dependent on new refinancing for the repayment of the Notes, if necessary by issuing new Notes. If financing required for repayment is not available – for whatever reason – the Issuer may not be in a position to repay the Notes.

### ***No full placement of the Notes guaranteed***

Offerings comprises typically a maximum volume of Notes. However, it is not certain that all Notes of an issuing of Notes under Final Terms will be placed. Under certain circumstances, this may result in the Notes being issued only with a significantly lower volume. This would result in less capital being available to the Issuer. This could also have a negative impact on the price development and liquidity of the Notes.

### ***No reliance on opinions and forecasts***

The forward-looking assumptions and statements contained in this Base Prospectus are primarily the opinions and forecasts of the Issuer's management. They reflect management's current views with regard to possible future events, which are, however, still uncertain. A large number of factors can lead to actual events occurring differing significantly from the forecast situation. This may lead to potentially adverse changes in the Issuer's net assets, financial position and results of operations and consequently to adverse effects for investors.

### ***Legality of purchase***

The Issuer has or assumes no responsibility for the lawfulness of the acquisition of the Notes by a potential investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or for compliance by that potential investor with any laws, regulation or regulatory policy applicable to it. A potential investor may not rely on the Issuer, any distributor or financial intermediaries or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

### ***Loan-financed investments***

A potential investor that finances its investment in the Notes via a loan 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. In the case of a loss of the investment, the investor would still have to repay the loan and the interest thereon.

### ***Market price risk***

In case the Notes are listed or included for trading on a stock exchange or OTF, the development of market prices of the Notes depends on various factors, such as changes of the market rate interest levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The Noteholder is therefore exposed to the risk of an unfavourable development of the market price of its Notes which materialises if the Noteholder sells the Notes prior to the maturity date of such Notes. If a Noteholder decides to hold the Notes until its final maturity, the Notes will be redeemed at the amount set out in or determined pursuant to the provisions contained in the relevant Final Terms.

### ***Meetings of Noteholders***

In the event that the Issuer wishes to amend the Terms and Conditions of the Notes, unless it is only an editorial change, it shall call a meeting of Noteholders for approval. Defined majorities of Noteholders may bind all Noteholders including those that did not attend and vote at the relevant meeting and Noteholders who attended and voted in a manner contrary to the majority.

The majority of the bondholders represented at a creditors' meeting may pass adverse resolutions for all investors; the bondholders' rights of termination are excluded in certain cases prior to creditors' meetings.

The Terms and Conditions provide that bondholders may adopt certain measures, in particular amendments to the Terms and Conditions, by a majority vote binding on all bondholders. The resolutions are also binding on creditors who did not participate in the adoption of the resolution or

voted against it. Meetings of bondholders may be quorate (if it is a second meeting) if only one bondholder is represented or, in respect of resolutions requiring a qualified majority, if at least 25% of bondholders are represented. A bondholder is therefore subject to the risk that he is bound by resolutions to which he has not consented and may thereby lose rights from the mandatory convertible bonds against his will.

The terms and conditions of the bonds provide for the exclusion of the bondholders' right to redeem the bonds due to a breach of the bond terms and/or a deterioration in the issuer's financial circumstances if a meeting of the bondholders has been convened in connection with this right to redeem the bonds. This means that in a situation in which bondholders wish to exercise their right to call their bonds particularly urgently, for example because the issuer's economic situation is negative, the right to call the bond cannot exist.

### ***Orderly and liquid market***

The existence of an orderly and liquid market for the Notes depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Notes at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Notes will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that Noteholders will be able to sell the Notes at or above the relevant issue price or at all.

### ***Perpetual Notes***

The Notes may be set up as perpetual obligations which have no fixed maturity date and may only be redeemed at the option of the Issuer (and subject to certain regulatory requirements to be met and as set out in the relevant Terms and Conditions).

### ***Trading suspension, interruption or termination***

Trading in the Notes on regulated or unregulated markets and any other market on which the Notes may (in the future) be listed (the **Relevant Markets**), may, depending on the rules applicable to such Relevant Markets, be suspended or interrupted by the Relevant Markets or by a competent regulatory authority (or stock exchange) upon the occurrence of a number of factors, including (but not limited): (i) violation of price limits, (ii) breach of statutory provisions, (iii) occurrence of operational problems with respect to the Relevant Markets, and/or (iv) if required in order to secure a functioning market or to safeguard the interests of Noteholders. Furthermore, trading in the Notes may be terminated, either upon decision of the Relevant Markets, upon the decision of a regulatory authority (or stock exchange), or upon application by the Issuer.

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. Noteholders should be aware that they may not be able to sell their Notes in such instances and should also note that during periods of suspension or interruption of trading, stock exchange quotations may not adequately reflect the price of the Notes.

### ***Substitution of the Issuer and/ or the Guarantor (as applicable) and the Successor Issuer (as applicable) and the Successor Guarantor (as applicable)***

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

## ***Taxation and FATCA***

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

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

The Issuer may be classified as a non-US financial institution for these purposes. If the Issuer becomes subject to withholding tax as a result, the monetary return of Noteholders may be affected. To the extent the Issuer suffers US withholding tax as a result of FATCA, the Issuer may take any action in relation to a Noteholder's investment to ensure that such withholding is economically borne by the relevant Noteholder whose failure to provide the necessary information or to become a participating FFI (i.e., foreign financial institution) gave rise to the withholding.

### **4.2. Additional Risks related to contingent capital Notes**

#### ***Subordinated Notes***

The contingent capital Notes constitute direct, unsecured and subordinated obligations of the Issuer, and would, if the Issuer was subject to CRR, constitute Tier 2 instruments.

In the event of insolvency or liquidation of the Issuer, if the Issuer was subject to CRR, the obligations of the Issuer under the Notes would rank (i) junior to all present or future unsubordinated instruments or obligations of the Issuer, (ii) *pari passu* (a) among themselves and (b) with all present or future obligations under any other Tier 2 instruments, and (iii) senior to all present or future (a) obligations under any AT 1 instruments and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank (x) subordinated to the obligations of the Issuer under the Notes or (y) *pari passu* with obligations under any AT 1 instruments.

Subordination means that the rights and claims of the Noteholders in respect of the payment of capital and interest on the Notes will, in the event of dissolution and winding-up of the Issuer, rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled. Accordingly, there is a substantial risk that investors who/which invest in subordinated notes (such as these Notes) will lose all or some of their investment in case the Issuer become insolvent, or should the Issuer have insufficient profit to write up the Notes following a write-down.

#### ***Write-down***

Under the Terms and Conditions of the contingent capital Notes, if the Issuer incurs an annual balance sheet loss this would trigger a write-down under the Notes.

Noteholders may lose all or some of their investment as a result of a write-down, unless, following such write-down, the Notes are subsequently written up. Prospective investors should note that, due to the uncertainty regarding a potential write-down event under the Notes, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated instruments. Any indication that the Issuer may incur an annual balance sheet loss may have an adverse effect on the market price and liquidity of the Notes. Under such circumstances, investors may not be able to

sell their Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

#### **4.3. Additional Risks to Notes that are guaranteed by the Guarantor (or its Successor Guarantor, as applicable)**

##### ***Non-payment of amount under the relevant Guarantee***

The Guarantor (or its Successor Guarantor(s), as applicable) may not have the ability to repay the Notes. The Guarantor (or its Successor Guarantor(s), as applicable) may not be able to repay the Notes in the event of a call under the relevant Guarantee. If the Noteholders were to demand payment from the Guarantor (or its Successor Guarantor(s), as applicable) under the relevant Guarantee, the Guarantor (or its Successor Guarantor(s), as applicable) cannot be certain that it will be able to pay the required amount in full. The Guarantor's (or its Successor Guarantor(s)'s, as applicable) ability to repay the Notes will depend on its financial condition at the time of the call under the relevant Guarantee, will be limited by the limitations set out in paragraph (1) of the relevant Guarantee or in clause 2 of the Terms and Conditions and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Guarantors' (or its Successor Guarantor(s)'s, as applicable) failure to repay the Notes may result in an event of default under the terms of other outstanding indebtedness (if any) of the Issuer (or its Successor Issuer, as applicable) and the Guarantor (or its Successor Guarantor(s), as applicable).

##### ***Limitations to the relevant Guarantee***

The relevant Guarantee of the Notes may not cover the full amount of principal and interest of the Notes. The obligations of the Guarantor (or its Successor Guarantor(s), as applicable) under the relevant Guarantee shall be limited pursuant to the relevant guarantee limitations set out in paragraph (1) of the relevant Guarantee or in clause 2 of the Terms and Conditions, respectively. As a consequence of such guarantee limitations the aggregate amount that the Guarantor (or its Successor Guarantor(s), as applicable) may be required to pay under the relevant Guarantee may be less than the principal amount of the Notes and any interest due in respect of the Notes.

##### ***Bankruptcy of the Guarantor (or its Successor Guarantor(s), as applicable)***

Bankruptcy laws may impact claims in respect of the Issuer (or its Successor Issuer, as applicable) and the Guarantor (or its Successor Guarantor(s), as applicable). The Issuer (or its Successor Issuer, as applicable) and the Guarantor (or its Successor Guarantor(s), as applicable) are subject to applicable bankruptcy laws. In the event of a bankruptcy of the Issuer (or its Successor Issuer, as applicable) and/or the Guarantor (or its Successor Guarantor(s), as applicable), the application of these bankruptcy laws may substantially affect the Noteholders' claims to obtain repayment in full of the Notes, e.g. through a suspension of payments, a stay on enforcement measures or an order providing for partial repayment of the Notes only.

## **5. RISK FACTORS RELATING TO THE FINANCIAL MARKETS**

### **5.1. Credit Risk**

Noteholders are subject to the risk of partial or total inability of the Issuer to make distribution and/or redemption payments that the Issuer may, subject to the limitations described in the terms and conditions of this Base Prospectus, be obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of loss. Prospective investors should note that a materialisation of credit risk with respect to the Issuer may result in the inability of the Issuer to pay interest and/or principal under the Notes.

### **5.2. Credit Spread Risk**

A credit spread is the margin payable by the Issuer to the holder of an instrument as a premium for the assumed credit risk. Factors influencing the credit spread include, among other things, the creditworthiness and rating, if any, of the Issuer, probability of default, recovery rate, remaining term to maturity of the Notes and obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation of the market, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a negative effect.

Noteholders are exposed to the risk that, as the credit spread of the Issuer widens, this may result in a decrease in the price of the Notes.

### **5.3. Inflation Risk**

Inflation causes the rate of return on assets (such as the Notes and income deriving therefrom) to decrease in value. Inflation risk thus relates to the possibility that the value of assets (such as the Notes and income therefrom) will decrease as inflation reduces the purchasing power of a currency. If the inflation rate exceeds the distribution paid on the Notes (if any), the yield on such Notes will become negative.

### **5.4. Unfavourable development of market prices**

The market price of the Notes depends on various factors, such as changes in interest rate levels, the policies of central banks, overall economic developments, inflation rates, or the lack of, or excess demand for, the Notes.

Noteholders are therefore exposed to the risk that the market price of the Notes will drop as a result of unfavourable market developments, which risk would materialise in the event that Noteholders were to sell the Notes before the relevant maturity date, if applicable. Noteholders should be aware that if they acquire Notes at a price which is higher than the market price at issue and/or the redemption amount, the impact which unfavourable market developments may have on the Notes would be heightened.

### **5.5. The market price for bonds could fall as a result of changes in the market interest rate.**

The mandatory convertible bonds bear fixed interest until redemption. If the market interest rate on the capital market changes, the market price for securities already issued with a fixed interest rate typically changes in the opposite direction. This means that if the market interest rate rises, the price of the fixed-interest security already issued usually falls. Changes in the market interest rate may thus have a negative effect on the price of the mandatory convertible bonds and lead to losses for the holders of the mandatory convertible bonds if the mandatory convertible bonds are sold before maturity.

### **5.6. Conflicts of Interest**

The Issuer may, from time to time, act in other capacities with regard to the Notes, such as calculation agent, which allows the Issuer to make calculations in respect of the Notes (e.g. the amount of distributions to be paid) which are binding for the Noteholders. This could generate conflicts of interest, which may, if not properly managed, affect the value of the Notes.

## **RESPONSIBILITY STATEMENT**

The Issuer, E-Stream Energy GmbH & Co KG, having its office at Wilhelmshofallee 83, 47800 Krefeld, Germany, accepts responsibility for the information contained in this Base Prospectus. The Issuer, having taken all reasonable care to ensure that such is the case, declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and no omission is likely to affect its import.

## **CONSENT TO THE USE OF THE BASE PROSPECTUS**

The Issuer hereby consents to the use of the Base Prospectus (under which the offer of the Notes takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Notes to the extent and the conditions as set out in the Base Prospectus and the Final Terms during the term of its validity in accordance with Article 9 of the Prospectus Directive.

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

Such consent can be given to all (so-called general consent) or only one or several specified financial intermediaries (so-called individual consent) and will be determined in the Final Terms.

Such consent can be given in relation to the following member states, in which the Base Prospectus is valid or into which it has been passported as specified in the Final Terms: the Republic of Austria, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the French Republic, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Italian Republic, the Principality of Liechtenstein, the Grand Duchy of Luxembourg, the Republic of Malta, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland.

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

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

Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary. Any further financial intermediary using the Base Prospectus shall state on its website that it uses the Base Prospectus in accordance with this consent and the conditions attached to this consent. New information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms, as the case may, will be published and will be found on the website of the Issuer ([www.estream-energy.com](http://www.estream-energy.com)) (or any successor website, in which case an automatic redirection will be ensured by the Issuer).

## DESCRIPTION OF THE NOTES

This section entitled "*Description of the Notes*" is an abstract description of the possible structures of instruments the Issuer may issue under this Base Prospectus. In accordance with this Base Prospectus and the applicable Terms and Conditions, the Issuer may issue either (i) contingent capital fixed rate bearer notes, (ii) contingent capital fixed rate registered notes, (iii) fixed rate bearer notes, (iv) fixed rate registered notes, and (v) fixed rate registered notes in dematerialised form. An overview of certain elements of the Notes is set out below.

All capitalised terms in this section entitled "*Description of the Notes*" which are not otherwise defined herein have the same meaning as in the respective Terms and Conditions.

### 1. FORM OF THE NOTES

#### *Form and Securitisation of bearer Notes*

The Notes will be issued in bearer form only and may be represented by a Permanent Global Note or a Temporary Global Note exchangeable for a Permanent Global Note. Notes in definitive form and interest coupons will not be issued.

#### *Form and Ownership of registered Notes*

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

#### *Form and Ownership of registered Notes in dematerialized Form*

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

### 2. FEATURES OF CONTINGENT CAPITAL NOTES

#### *Status*

The Notes constitute direct, unsecured and subordinated obligations of the Issuer, and Tier 2 Instruments. As a consequence of the before-mentioned, the obligations of the Issuer under the Notes will rank (i) junior to all present or future unsubordinated instruments or obligations of the Issuer, (ii) pari passu among themselves, and with all present or future obligations under any other Tier 2 Instruments, and (iii) senior to all present or future obligations under any AT 1 Instruments, and all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes or pari passu with obligations under any AT 1 Instruments.

#### *Payment of Distributions*

The Notes to be issued under this Base Prospectus pay fixed amounts of distributions specified in the relevant Final Terms. The Notes provide for only one Rate of Distributions for each applicable period.

Distributions will be scheduled to be paid either annually, semi-annually or quarterly in arrears. The respective amount of distributions falls due for payment on the relevant Distribution Payment Date.

### ***Redemption***

In case of Notes providing for a Maturity Date, the Notes may be redeemed at their Current Principal Amount at their stated maturity.

### ***Early Redemption***

If specified in the relevant Final Terms, the Notes may be redeemed prior to maturity for regulatory reasons or reasons of taxation, in each case subject to certain conditions as set out in the Terms and Conditions.

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

### ***Write-Down and Write-up***

If the Issuer incurs an Annual Balance Sheet Loss as calculated in accordance with Maltese GAAP or (EU- or full) IFRS, as applicable or chosen by the Issuer, in any fiscal year, the Noteholder shares in such loss in the proportion which their Current Principal Amount bears in relation to the aggregate book value of all going concern loss sharing components of the Issuer's regulatory liable capital, and the Current Principal Amount shall be written down accordingly. For the purpose of such calculation, the Issuer's loss sharing liable capital shall include any and all outstanding CET 1 Instruments and AT 1 Instruments and Similar Instruments. Following an Annual Balance Sheet Loss, there will be a corresponding reduction in the nominal amount of the Current Principal Amount equivalent to the amount of the Noteholder's share in such Annual Balance Sheet Loss. Following a reduction, the Current Principal Amount will be written up in subsequent fiscal years of the Issuer in which an Annual Balance Sheet Profit is recorded in accordance with Maltese GAAP or (EU- or full) IFRS, as applicable. The Current Principal Amount will be written-up prior to the writing-up of AT 1 Instruments. A writing-up of shareholders' equity and allocation to reserves may only occur after the Current Principal Amount has been fully written-up again to its initial Principal Amount.

### ***Meetings of Noteholders***

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

### ***Governing Law and Jurisdiction***

The Notes shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the provisions regarding the provisions (i) *Ranking*, whereby in case the Notes contain the qualified subordination clause as set out in the Terms and Conditions such qualified subordination clause shall be applying mutatis mutandis in the meaning to the laws of Germany and (ii) *Meetings of Noteholders* as set out in the Terms and Conditions which shall be subject to the laws of Germany.

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the provisions *Ranking* (for avoidance of doubt in case the Notes contain the qualified subordination clause

as set out in the Terms and Conditions such qualified subordination clause shall be subject mutatis mutandis in the meaning to the laws of Germany and be applied by the courts having jurisdiction) and *Meetings of Noteholders* as set out in the Terms and Conditions.

### **3. FEATURES OF NON-CONTINGENT CAPITAL NOTES**

#### ***Status***

The obligations of the Issuer under the Notes are unsecured and, if not otherwise specified in the relevant Final Terms, unsubordinated ranking pari passu without any preference among themselves and pari passu with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.

In deviation to the above, the Notes may be set up as subordinated Notes. In this scenario, the Notes constitute direct, unsecured and subordinated obligations of the Issuer. This means that the obligations of the Issuer under the Notes will rank (i) junior to all present or future unsubordinated instruments or obligations of the Issuer, (ii) pari passu among themselves, and (iii) senior to all present or future obligations under any CRR Instruments, and all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes.

#### ***Payment of Distributions***

The Notes to be issued under this Base Prospectus pay fixed amounts of distributions specified in the relevant Final Terms. The Notes provide for only one Rate of Distributions for each applicable period. Distributions will be scheduled to be paid either annually or semi-annually in arrears. The respective amount of distributions falls due for payment on the relevant Distribution Payment Date.

#### ***Redemption***

In case of Notes with a stated Maturity Date and subject to certain special events as determined in the applicable Final Terms, the Notes may be redeemed at their Principal Amount at their stated maturity.

#### ***Early Redemption***

If specified in the relevant Final Terms, the Notes may be redeemed prior to maturity for reasons of taxation or upon the occurrence of an event of default.

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

In addition, the relevant Final Terms may specify a put option of the Noteholders. A put option gives the Noteholder the right to require the Issuer to redeem its Notes on a specified Put Redemption Date.

#### ***Meetings of Noteholders***

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

#### ***Governing Law and Jurisdiction***

The Notes shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except (i) for the provisions regarding the provisions (i) *Ranking*, whereby in case the Notes contain the qualified subordination clause as set out in the Terms and Conditions such qualified

subordination clause shall be applying mutatis mutandis in the meaning to the laws of Germany and (ii) *Meetings of Noteholders* as set out in the Terms and Conditions which shall be subject to the laws of Germany.

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes. The courts of Germany shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the provisions *Ranking* (for avoidance of doubt in case the Notes contain the qualified subordination clause as set out in the Terms and Conditions such qualified subordination clause shall be subject mutatis mutandis in the meaning to the laws of Germany and be applied by the courts having jurisdiction) and *Meetings of Noteholders* as set out in the Terms and Conditions.

**4. FEATURES OF NON-CONTINGENT CAPITAL GUARANTEED NOTES OF "OPTION VI - TERMS AND CONDITIONS OF THE FIXED RATE BEARER NOTES" AND "OPTION VII - TERMS AND CONDITIONS OF THE FIXED RATE REGISTERED NOTES" AND "OPTION VIII – TERMS AND CONDITIONS OF THE FIXED RATE REGISTERED NOTES ISSUED IN DEMATERIALIZED FORM"**

***Status***

The obligations of the Issuer under the Notes are unsecured and, if not otherwise specified in the relevant Final Terms, unsubordinated ranking pari passu without any preference among themselves and pari passu with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.

In deviation to the above, the Notes may be set up as subordinated Notes. In this scenario, the Notes constitute direct, unsecured and subordinated obligations of the Issuer. This means that the obligations of the Issuer under the Notes will rank (i) junior to all present or future unsubordinated instruments or obligations of the Issuer, (ii) pari passu among themselves, and (iii) senior to all present or future obligations under any CRR Instruments, and all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes.

Furthermore, Timberland Securities Investment plc has given its unconditional and irrevocable Guarantee for the due payment of the amounts corresponding to the principal of and interest on the Notes issued by the Issuer in an amount as set out in the relevant Final Terms. The Guarantee will be governed by German law.

***Payment of Distributions***

The Notes to be issued under this Base Prospectus pay fixed amounts of distributions specified in the relevant Final Terms. The Notes provide for only one Rate of Distributions for each applicable period. Distributions will be scheduled to be paid either annually or semi-annually in arrears. The respective amount of distributions falls due for payment on the relevant Distribution Payment Date.

***Redemption***

In case of Notes with a stated Maturity Date and subject to certain special events as determined in the applicable Final Terms, the Notes may be redeemed at their Principal Amount at their stated maturity.

***Early Redemption***

If specified in the relevant Final Terms, the Notes may be redeemed prior to maturity for reasons of taxation or upon the occurrence of an event of default.

Moreover, the Notes may, and will in case they are set up as perpetual Notes, include a call option of the Issuer. A call option gives the Issuer the right (but not the obligation) to redeem the Notes on

specified call redemption date(s). The respective call redemption amount payable on exercise of the call option will be set out in the applicable Final Terms.

In addition, the relevant Final Terms may specify a put option of the Noteholders. A put option gives the Noteholder the right to require the Issuer to redeem its Notes on a specified Put Redemption Date.

### ***Meetings of Noteholders***

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

### ***Governing Law and Jurisdiction***

The Notes shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except (i) for the provisions regarding the provisions (i) *Ranking*, whereby in case the Notes contain the qualified subordination clause as set out in the Terms and Conditions such qualified subordination clause shall be applying mutatis mutandis in the meaning to the laws of Germany and (ii) *Meetings of Noteholders* as set out in the Terms and Conditions which shall be subject to the laws of Germany.

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes. The courts of Germany shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the provisions *Ranking* (for avoidance of doubt in case the Notes contain the qualified subordination clause as set out in the Terms and Conditions such qualified subordination clause shall be subject mutatis mutandis in the meaning to the laws of Germany and be applied by the courts having jurisdiction) and *Meetings of Noteholders* as set out in the Terms and Conditions.

## **5. FEATURES OF NON-CONTINGENT CAPITAL GUARANTEED NOTES OF OPTION IX – TERMS AND CONDITIONS OF THE FIXED RATE REGISTERED NOTES II ISSUED IN DEMATERIALISED FORM**

### ***Status***

The obligations of the Issuer under the Notes are unsecured and, if not otherwise specified in the relevant Final Terms, unsubordinated ranking pari passu without any preference among themselves and pari passu with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.

In deviation to the above, the Notes may be set up as subordinated Notes. In this scenario, the Notes constitute direct, unsecured and subordinated obligations of the Issuer. This means that the obligations of the Issuer under the Notes will rank (i) junior to all present or future unsubordinated instruments or obligations of the Issuer, (ii) pari passu among themselves, and (iii) senior to all present or future obligations under any CRR Instruments, and all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes.

Furthermore, Timberland Securities Investment plc has given its unconditional and irrevocable Guarantee II for the due payment of the amounts corresponding to the principal of and interest on the Notes issued by the Issuer in an amount as set out in the relevant Final Terms. The Guarantee II will be governed by German law.

### ***Payment of Distributions***

The Notes to be issued under this Base Prospectus pay fixed amounts of distributions specified in the relevant Final Terms. The Notes provide for only one Rate of Distributions for each applicable period. Distributions will be scheduled to be paid either annually or semi-annually in arrears. The respective amount of distributions falls due for payment on the relevant Distribution Payment Date.

### ***Redemption***

In case of Notes with a stated Maturity Date and subject to certain special events as determined in the applicable Final Terms, the Notes may be redeemed at their Principal Amount at their stated maturity.

### ***Early Redemption***

If specified in the relevant Final Terms, the Notes may be redeemed prior to maturity for reasons of taxation or upon the occurrence of an event of default.

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

In addition, the relevant Final Terms may specify a put option of the Noteholders. A put option gives the Noteholder the right to require the Issuer to redeem its Notes on a specified Put Redemption Date.

### ***Meetings of Noteholders***

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

### ***Governing Law and Jurisdiction***

The Notes shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except (i) for the provisions regarding the provisions (i) *Ranking*, whereby in case the Notes contain the qualified subordination clause as set out in the Terms and Conditions such qualified subordination clause shall be applying mutatis mutandis in the meaning to the laws of Germany and (ii) *Meetings of Noteholders* as set out in the Terms and Conditions which shall be subject to the laws of Germany.

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes. The courts of Germany shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the provisions *Ranking* (for avoidance of doubt in case the Notes contain the qualified subordination clause as set out in the Terms and Conditions such qualified subordination clause shall be subject mutatis mutandis in the meaning to the laws of Germany and be applied by the courts having jurisdiction) and *Meetings of Noteholders* as set out in the Terms and Conditions.

## **6. FEATURES OF NOTES IF NAMED AS “GREEN”**

### ***Green Notes / Green Bonds***

Green Notes/Green Bonds are designated bonds intended to encourage sustainability and to support climate-related or other types of special environmental projects. More specifically, green bonds aimed inter alia at energy efficiency, pollution prevention, clean transportation and the cultivation of environmentally friendly technologies.

Green Bonds are intended for capital-raising and investment for new and existing projects with environmental benefits in regard inter alia but not limited to the Green Bond Principles of ICMA. The Green Bond Principles (**GBP**) of ICMA, updated as of June 2018 by ICMA, are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. The GBP are intended for broad use by the market: they provide issuers guidance on the key components involved in launching a credible Green Bond.

In case the specific Notes are described as Green, Green Notes or Green Bonds, the Notes qualify in the view of the Issuer either as green bonds in terms of the “Green Bonds Principles (GBP)” definition of ICMA (International Capital Markets Association) or are in any other connection to a kind of green investment.

All other features of the relevant Notes are subject to the relevant section in this section entitled "*Description of the Notes*".

## SUBSCRIPTION FOR NOTES

Any terms and expressions not expressly defined in this section shall have the meaning given to such terms and expressions in the Terms and Conditions.

### 1. BEARER NOTES

Any bearer Note issued but not subscribed for by investors on its Issue Date will be subscribed for by the Issuer for no consideration and held by it for sale on the secondary market during the Offer Period. So long as any bearer Notes are held by the Issuer, any rights attached to such bearer Notes (such as financial rights and voting rights) will be suspended. All outstanding bearer Notes still held by the Issuer after the expiry of the Offer Period will be cancelled forthwith.

Each investor in the bearer Notes which pays the issue price in Euro will, when subscribing for the bearer Notes offered by the Issuer, arrange for the payment of the amount to be invested in the bearer Notes to the account of the Issuer (the **Issuer's Account**) held with the Issuer's Account Bank (as defined in section "*Description of the Parties*" of this Base Prospectus). The amount of bearer Notes to be allocated to each investor will be determined on the subscription date by dividing the Issuer's Account Credit Amount (as defined below) by the issue price. Such amount will be rounded down to the nearest integral multiple of 1 (one). The Total Amount of Notes (as defined below) multiplied by the issue price will equal the aggregate Euro amount of bearer Notes subscribed by the relevant investor. The remainder between the Issuer's Account Credit Amount and the Total Subscription Amount (as defined below) (if any) will be reimbursed to the relevant investor.

Each investor in the bearer Notes which pays the issue price in a currency other than Euro (a **Foreign Currency**) will, when subscribing for the bearer Notes offered by the Issuer, arrange for the payment of the amount to be invested in the bearer Notes in such Foreign Currency to an account held with a local branch of the Collecting Bank or an affiliated subsidiary or correspondent bank of the Collecting Bank in the relevant jurisdiction (each being referred to hereafter as a **Branch**) in the name and on behalf of the Issuer. The relevant Branch will arrange for the transfer of the subscription monies to an account of the Issuer held with the Collecting Bank (as defined in section "*Description of the Parties*" of this Base Prospectus). Upon instruction of the Issuer, the Collecting Bank will immediately convert the subscription monies into a Euro amount (the **Euro Amount**) taking into consideration the then applicable spot rate. Upon instruction of the Issuer, the Collecting Bank will transfer the Euro Amount to the Issuer's Account held with the Issuer's Account Bank. The amount of bearer Notes to be allocated to each investor will be determined on the subscription date by dividing the Issuer's Account Credit Amount by the issue price. Such amount will be rounded down to the nearest integral multiple of 1 (one). The Total Amount of Notes (as defined below) multiplied by the issue price will equal the aggregate Euro amount of bearer Notes subscribed by the relevant investor. The remainder between the Issuer's Account Credit Amount and the Total Subscription Amount (as defined below) (if any) will be reimbursed to the relevant investor.

The Issuer will regularly inform the Noteholders about the number of bearer Notes issued for no consideration or subscribed for by investors during the Offer Period by publishing the relevant information on its website ([www.estream-energy.com](http://www.estream-energy.com)). Such information is available free of charge, subject to prior registration on the website. The Issuer will notify the FMA of the result of the offering of bearer Notes at the end of the Offer Period.

## 2. REGISTERED NOTES

Subject to registered Notes issued in dematerialised form, any registered Note issued but not subscribed for by investors on its Issue Date will be subscribed for by the Issuer for no consideration and held by it for sale on the secondary market during the Offer Period. So long as registered Notes are held by the Issuer, any rights attached to such registered Notes (such as financial rights and voting rights) will be suspended. All outstanding registered Notes still held by the Issuer after the expiry of the Offer Period will be cancelled forthwith.

Each investor in the registered Notes which pays the issue price in Euro will, when subscribing for the registered Notes offered by the Issuer, pay the amount to be invested in the registered Notes to an account held with the Collecting Bank in the name and on behalf of the Issuer. Upon instruction of the Issuer, the Collecting Bank will transfer the subscription monies to the Issuer's Account held with the Account Bank (any amount credited to an Issuer's Account being referred to hereafter as the **Issuer's Account Credit Amount**). The amount of registered Notes to be allocated to each investor will be determined on the subscription date by dividing the Issuer's Account Credit Amount by the issue price. Such amount will be rounded down to the nearest integral multiple of 1 (one) (this amount being referred to hereafter as the **Total Amount of Notes**). The Total Amount of Notes multiplied by the issue price will equal the aggregate Euro amount of registered Notes subscribed by the relevant investor (this amount being referred to hereafter as the **Total Subscription Amount**). The remainder between the Issuer's Account Credit Amount and the Total Subscription Amount (if any) will be reimbursed to the relevant investor.

Each investor in the registered Notes which pays the issue price in a currency other than the Foreign Currency will, when subscribing for the registered Notes offered by the Issuer, pay the amount to be invested in the registered Notes in such Foreign Currency to an account held with a Branch in the name and on behalf of the Issuer. The relevant Branch will transfer the subscription monies to an account of the Issuer held with the Collecting Bank. Upon instruction of the Issuer, the Collecting Bank will immediately convert the subscription monies into a Euro Amount taking into consideration the then applicable spot rate. Upon instruction of the Issuer, the Collecting Bank will transfer the Euro Amount to the Issuer's Account held with the Issuer's Account Bank. The amount of registered Notes to be allocated to each investor will be determined on the subscription date by dividing the Issuer's Account Credit Amount by the issue price. Such amount will be rounded down to the nearest integral multiple of 1 (one). The Total Amount of Notes multiplied by the issue price will equal the aggregate Euro amount of registered Notes subscribed by the relevant investor. The remainder between the Issuer's Account Credit Amount and the Total Subscription Amount (if any) will be reimbursed to the relevant investor.

The Issuer will regularly inform Noteholders about the number of registered Notes issued for no consideration or subscribed for by investors during the Offer Period by publishing the relevant information on its website ([www.estream-energy.com](http://www.estream-energy.com)). Such information is available free of charge, subject to prior registration on the website. The Issuer will notify the FMA of the result of the offering of registered Notes at the end of the Offer Period.

## TERMS AND CONDITIONS OF THE NOTES

### Option I – Terms and Conditions of the Contingent Capital Fixed Rate Bearer Notes

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

##### 1.1 Currency, Denomination

This tranche of subordinated contingent capital fixed rate notes (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

##### 1.2 Form

The Notes are being issued in bearer form.

##### 1.3 Global Notes

- (a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for a permanent global note (the **Permanent Global Note** and together with the Temporary Global Note, the **Global Notes** or a **Global Note**) without coupons. The Temporary Global Note and the Permanent Global Note shall bear the signatures of two authorised signatories of the Issuer [and shall each be authenticated with a control signature of the Fiscal Agent]. Definitive Notes and coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not later than 180 calendar days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 calendar days after the date of issue of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this sub-paragraph (b) of Clause 1.4. Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

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

##### 1.4 Clearing System

The Global Notes will be kept in custody by or on behalf of a Clearing System as central depository for securities (*Wertpapiersammelbank*) until, in case of the Permanent Global Note, all obligations of the Issuer under the Notes have been satisfied.

#### 2. STATUS

## 2.1 Ranking

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

Qualified subordination clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

- (a) junior to all present or future unsubordinated instruments or obligations of the Issuer; whereby:
  - (i) All claims under the Notes, including but not limited to the claims for payment of the [Call Redemption Amount][,] [and] the Current Principal Amount[,], [and] the payment of distributions, 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 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.
  - (ii) Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.
  - (iii) The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) within applying mutatis mutandis the meaning of German insolvency law.
  - (iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.
  - (v) In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.
  - (vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole (*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 Issuer.
- (b) pari passu (a) among themselves, and (b) with all present or future obligations under any other Tier 2 Instruments; and
- (c) senior to all present or future (a) obligations under any AT 1 Instruments, and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank (x) subordinated to the obligations of the Issuer under the Notes or (y) pari passu with obligations under any AT 1 Instruments.

## 2.2 No Set-off or Security

Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under these Notes, and no contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by the Notes. The Notes are neither secured nor subject to a guarantee that enhances the seniority of the claims under the Notes. The Notes are not subject to any arrangement,

contractual or otherwise, that enhances the seniority of the claims under the Notes. No subsequent agreement may limit the subordination pursuant to this Clause 2.2.

### **3. DISTRIBUTIONS**

#### **3.1 Distribution Rate and Distribution Payment Dates**

The Notes shall bear distributions on their Current Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 4.5.

#### **3.2 Calculation of Amount of Distributions**

The amount of distributions shall be calculated by applying the Rate of Distributions to the Current Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

#### **3.3 Default Distributions**

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Current Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

### **4. PAYMENTS**

#### **4.1 Payment of Principal**

Payment of principal on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

#### **4.2 Payment of Distributions**

Payment of distributions on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System, and in case of payment of distributions on Notes represented by a Temporary Global Note, upon due certification as provided for in Clause 1.4(b).

#### **4.3 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable)

determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

#### **4.4 Discharge**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

#### **4.5 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

#### **4.6 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Specified Denomination/Principal Amount, the Current Principal Amount[, the Call Redemption Amount], and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 8.1.

### **5. REDEMPTION**

#### **5.1 Maturity Date**

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Current Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●]<sup>1</sup> (the **Maturity Date**).]

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

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

#### **5.3 [No] Early Redemption at the Option of the Issuer**

[The Issuer does not have a right to demand the redemption of the Notes.]

[

- (a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date. Any such redemption pursuant to this subsection Clause 5.3 shall not be

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<sup>1</sup> Insert maturity in line with Art. 63 lit. g CRR.

possible before [five][●]<sup>2</sup> [months][years] after the date of issuance and shall only be possible provided that the redemption conditions laid down in Clause 5.6 are met.

- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify:
- (i) the series number of the Notes;
  - (ii) the Call Redemption Date which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert: nor more than [insert number of days]*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders; and
  - (iii) the Call Redemption Amount at which the Notes are to be redeemed.

[

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

]]

#### **5.4 [No] Early Redemption for Reasons of Taxation**

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

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

#### **5.5 Early Redemption for Regulatory Reasons**

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

#### **5.6 Redemption Conditions**

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<sup>2</sup> Insert redemption date in line with Art. 63 lit. j CRR.

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

- (a) earlier than or at the same time as the redemption, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would, following the redemption, exceed the requirements laid down in Article 92(1) of the CRR and the combined buffer requirement as defined in point (6) of Article 128 of the CRD IV by a margin that the Competent Authority may consider necessary on the basis of Article 104(3) of the CRD IV.

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

## **5.7 Redemption Amount**

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

## **6. LOSS SHARING**

### **6.1 Write-down**

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

### **6.2 Write-up**

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

## **7. FISCAL AGENT, PRINCIPAL PAYING AGENT**

### **7.1 Appointment, Specified Offices**

The initial Fiscal Agent, and the initial Principal Paying Agent[s] and their respective initial specified offices are:

[Initial Fiscal Agent:  
Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

Initial Principal Paying Agent[s]:  
[Citibank, N.A., London Branch  
Citigroup Centre, Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom]

[Baader Bank Aktiengesellschaft  
Weihenstephaner Str. 4  
85716 Unterschleißheim  
Federal Republic of Germany]

[FinTech Group Bank AG  
Rotfeder-Ring 7  
60327 Frankfurt am Main  
Federal Republic of Germany]

[•]

Where these Terms and Conditions refer to the term **Paying Agent[s]**, such term shall include the Principal Paying Agent.

The [Fiscal Agent and the] Paying Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city][in] [*insert city*]].

## 7.2 Variation or Termination of Appointment

The Issuer reserves the right at any time to vary or terminate the appointment of any Fiscal Agent, or any] Paying Agent and to appoint another Fiscal Agent, additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent [,] [and] (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority][authorities] [*in case of payments in U.S. Dollars insert: [,] [and] (iii) if payments at or through the offices of [a][all] Paying Agent[s] outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. Dollars, a Paying Agent with a specified office in New York*]. The Issuer will give notice to the Noteholders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

The Issuer undertakes, to the extent this is possible, to maintain a Paying Agent in a member state of the European Union in which it shall not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive 2003/48/EC.

### 7.3 Agents of the Issuer

The Fiscal Agent and the Paying Agent[s] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

### 7.4 Determinations Binding

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith, inequitableness or manifest error) be binding on the Issuer, the Paying Agent[s], and the Noteholders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agent[s], or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## 8. TAXATION

### 8.1 Withholding Taxes and Additional Amounts

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last calendar day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or
- (e) are withheld or deducted in relation to a Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or
- (f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or

- (g) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution; or
- (h) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 10, whichever occurs later.

## **8.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **8.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **9. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **9.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **9.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed and provided that the redemption conditions laid down in Clause 5.6 are met.

### **9.3 Cancellation**

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

## **10. NOTICES**

### **10.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

### **10.2 Publication of Notices of the Issuer via the Clearing System**

If the publication of notices pursuant to Clause 10.1 is no longer required by law, the Issuer may, in lieu of publication in the media set forth in Clause 10.1, deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the [●] calendar day after the calendar day on which said notice was given to the Clearing System.

### **10.3 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) and by hand or mail [or *[insert other means of communication]*]. The Noteholder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Noteholder maintains a securities account in respect of the Notes that such Noteholder is, at the time such notice is given, the Noteholder of the relevant Notes, or (ii) in any other appropriate manner.

## **11. MEETINGS OF NOTEHOLDERS**

Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## **[12. SUBSTITUTION OF THE ISSUER**

### **12.1 Substitution**

[The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution and in the opinion of [the Issuer] [●], of at least the equivalent standing and creditworthiness to the Issuer provided that:

- (a) the Substitute Issuer is solvent and can perform all obligations under and in connection with the 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 Notes) from the authorities of the country in which it has its registered office;
- (d) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

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

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Condition 12

and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.] [●]

[After the substitution(s) of the Issuer by a Substitute Issuer this Condition 12 shall apply again. In the event of such a substitution(s), every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Issuer]. [●]

## **12.2 Change of References**

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

## **[12.3 Further substitution**

[After a substitution pursuant to Condition 12.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Condition 12.1 and 12.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.] [●]

## **[12.4 Reverse substitution**

[After a substitution pursuant to Condition 12.1 [or 12.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.] [●]

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

### **[12.1][13.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the provisions of Clause 2.1 (*Ranking*) and Clause 11 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

### **[12.2][13.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 2.1 (*Ranking*) and Clause 11 (*Meetings of Noteholders*).

### **[12.3][13.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

## [13.][14.] DEFINITIONS

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 8.1.

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

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

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

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

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

**Business Day Financial Centre** means [●].

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

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

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

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

**Clearing System** means [Clearstream Luxembourg and Euroclear] [and/or] [Clearstream Frankfurt] [and/or] [OeKB CSD] and any successor in such capacity. [The Notes shall be kept in custody by a common depository on behalf of both ICSD.]

[**Clearstream Frankfurt** means Clearstream Banking AG, The Cube, Mergenthalerallee 61, 65760 Eschborn, Federal Republic Germany.]

[**Clearstream Luxembourg** means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.]

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

**Competent Authority** means the Malta Financial Services Authority and any authority that succeeds into its relevant function.

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

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

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

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year][●].

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

**Distribution Commencement Date** has the meaning assigned to it in Clause 3.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 3.1.

[**Euroclear** means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.]

**Exchange Date** has the meaning assigned to it in Clause 1.4.

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

**Fiscal Agent** means [Timberland Invest Ltd.][●].

**Global Note(s)** has the meaning assigned to it in Clause 1.4.

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

[**ICSD** means Clearstream Luxembourg and Euroclear.]

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

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

**Noteholder** means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new holder in accordance with applicable law and the provisions of the Clearing System.

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

[**OeKB CSD GmbH** means OeKB CSD GmbH Strauchgasse 1-3, 1010 Vienna, Austria.]

**Paying Agent[s]** means [Citibank, N.A., London Branch] [and] [Baader Bank Aktiengesellschaft] [FinTech Group Bank AG] [and] [●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System is open for business.

**Permanent Global Note** has the meaning assigned to it in Clause 1.4.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [12.2]13.2].

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

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 10.

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

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

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 12 (*Substitution of the Issuer*).]

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

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

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

**Temporary Global Note** has the meaning assigned to it in Clause 1.4.

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

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

## Option II – Terms and Conditions of the Contingent Capital Fixed Rate Registered Notes

### 1. CURRENCY, DENOMINATION, FORM, TITLE

#### 1.1 Currency, Denomination

This tranche of subordinated contingent capital fixed rate notes (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Pincipal Amount**).

#### 1.2 Form

- (a) The Notes are being fully issued in registered form and may under no circumstances be converted into notes in bearer form.
- (b) The Issuer may issue Notes for no consideration to be held by the Issuer with a view to selling those Notes on the secondary market. All determinations made under these Terms and Conditions will reflect the fact that such Notes issued and directly held by the Issuer have been issued for no consideration (the issue price for those Notes will be deemed to be 0). So long as any Notes are held by the Issuer, any rights attached to such Notes (such as financial rights and voting rights) will be suspended.
- (c) The Notes are not clearable through any clearing system and cannot (and will not) be admitted to trading and/or listed on any stock exchange, regulated or unregulated market.
- (d) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of Noteholders of Notes (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.
- (e) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).
- (f) A Noteholder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Registered Notes.

#### 1.3 Title

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

### 2. TRANSFERS

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the registered Note in the form satisfactory to the Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonably require.
- (b) Registration of transfer of the Notes will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### 3. CLOSED PERIODS

No Noteholder may require the transfer of a Note to be registered during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note.

### 4. STATUS

#### 4.1 Ranking

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

Qualified subordination clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

- (a) junior to all present or future unsubordinated instruments or obligations of the Issuer; whereby:
  - (i) All claims under the Notes, including but not limited to the claims for payment of the [the Call Redemption Amount][,] [and] the Current Principal Amount[,], [and] the payment of distributions, 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 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.
  - (ii) Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.
  - (iii) The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) within applying mutatis mutandis the meaning of German insolvency law.
  - (iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.
  - (v) In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.
  - (vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole (*Gläubigersamtheit*) applying 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 Issuer.

- (b) pari passu (a) among themselves, and (b) with all present or future obligations under any other Tier 2 Instruments; and
- (c) senior to all present or future (a) obligations under any AT 1 Instruments, and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank (x) subordinated to the obligations of the Issuer under the Notes or (y) pari passu with obligations under any AT 1 Instruments.

#### **4.2 No Set-off or Security**

Claims of the Issuer are not permitted to be set-off against repayment obligations of the Issuer under these Notes, and no contractual collateral may be provided by the Issuer or any third person for the liabilities constituted by the Notes. The Notes are neither secured nor subject to a guarantee that enhances the seniority of the claims under the Notes. The Notes are not subject to any arrangement, contractual or otherwise, that enhances the seniority of the claims under the Notes. No subsequent agreement may limit the subordination pursuant to this Clause 4.2.

### **5. DISTRIBUTIONS**

#### **5.1 Distribution Rate and Distribution Payment Dates**

The Notes shall bear distributions on their Current Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [annually][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 6.4.

#### **5.2 Calculation of Amount of Distributions**

The amount of distributions shall be calculated by applying the Rate of Distributions to the Current Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

#### **5.3 Default Distributions**

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Current Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

### **6. PAYMENTS**

#### **6.1 Payment of Principal and Distributions**

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder the details of which are recorded in the Register at a given time.

#### **6.2 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

### **6.3 Discharge**

The Issuer shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Register.

### **6.4 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Specified Denomination/Principal Amount, the Current Principal Amount[, the Call Redemption Amount], and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## **7. REDEMPTION**

### **7.1 Maturity Date**

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Current Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●]<sup>3</sup>(the **Maturity Date**).]

### **7.2 No Early Redemption at the Option of a Noteholder**

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

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<sup>3</sup> Insert maturity in line with Art. 63 lit. g CRR.

### 7.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

- (a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date. Any such redemption pursuant to this Clause 7.3 shall not be possible before [five][●]<sup>4</sup> [months][years] after the date of issuance and shall only be possible provided that the redemption conditions laid down in Clause 7.6 are met.
- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:
  - (i) the series number of the Notes;
  - (ii) the Call Redemption Date which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert: nor more than [insert number of days]*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders; and
  - (iii) the Call Redemption Amount at which the Notes are to be redeemed.

[

- (c) Redemption under this Clause 7.3 shall be excluded if the Call Redemption Amount would be less than the Specified Denomination.

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### 7.4 [No] Early Redemption for Reasons of Taxation

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[The Notes may be redeemed at the option of the Issuer in whole, but not in part, [at any time] [on the next Distribution Payment Date] by giving not less than [*insert number of days*] Payment Business Days and nor more than [*insert number of days*] Payment Business Days prior notice of redemption to the Fiscal Agent and, in accordance with Clause 12, to the Noteholders (which notice shall be irrevocable), if there is a change in the applicable tax treatment of the Notes, including without limitation, a Tax Deductibility Event, or a Gross-up Event, which is material and was not reasonably foreseeable at the time of the issuance of the Notes, and which the Issuer, in accordance with and subject to Article 78(4) of the CRR, if so required, demonstrates to the satisfaction of the Competent Authority, provided that the redemption conditions laid down in Clause 7.6 are met.]

### 7.5 Early Redemption for Regulatory Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, [at any time] [on the next Distribution Payment Date] by giving not less than [*insert number of days*] Payment Business Days and nor more than [*insert number of days*] Payment Business Days prior notice of redemption to the Fiscal Agent and, in accordance with Clause 12, to the Noteholders (which notice shall be irrevocable), if there is a change in the regulatory classification of the Notes that would be likely to result in their full or partial exclusion from own funds or reclassification as a lower quality form of

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<sup>4</sup> Insert redemption date in line with Art. 63 lit. j CRR.

own funds, if applicable, and provided that the following conditions are met: (i) the Competent Authority considers such a change to be sufficiently certain; (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance; and (iii) the redemption conditions laid down in Clause 7.6 are met.

## **7.6 Redemption Conditions**

Any redemption pursuant to this Clause 7 requires that the Competent Authority has granted the Issuer the prior permission in accordance with Article 78 para 1 of the CRR for the redemption, if applicable, whereas such permission may, inter alia, require that:

- (a) earlier than or at the same time as the redemption, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would, following the redemption, exceed the requirements laid down in Article 92(1) of the CRR and the combined buffer requirement as defined in point (6) of Article 128 of the CRD IV by a margin that the Competent Authority may consider necessary on the basis of Article 104(3) of the CRD IV.

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

## **7.7 Redemption Amount**

In case of a redemption pursuant to [Clause 7.4 or] Clause 7.5, the Notes will be redeemed at their Current Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption.

## **8. LOSS SHARING**

### **8.1 Write-down**

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

### **8.2 Write-up**

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

increase of the Current Principal Amount may result in the Current Principal Amount being more than the Specified Denomination.

## **9. FISCAL AGENT, REGISTRAR AND TRANSFER AGENT, DISTRIBUTION AGENT**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent, Registrar and Transfer Agent[s], and the Distribution Agent[s] and their respective initial specified offices are:

#### **Fiscal Agent**

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

#### **Registrar and Transfer Agent[s]:**

[E-Stream Energy GmbH & Co KG  
Wilhelmshofallee 83  
47800 Krefeld  
Germany]

[Alter Domus (Services) Malta Limited  
Vision Exchange Building Territorials Street  
Mriehel BKR 3000  
Malta]

[•]

#### **Distribution Agent[s]:**

[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Timberland Capital Management GmbH  
Hüttenallee 137  
47800 Krefeld  
Germany]

[•]

The Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city] [in [*insert city*]]. Each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent[s] may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

### **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agents, provided that the Issuer will at all times maintain a Fiscal Agent, 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 Noteholders in accordance with Clause 12.

### **9.3 Agents of the Issuer**

Each of the Fiscal Agent, the Registrar and Transfer Agents, and the Distribution Agents acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

## **10. TAXATION**

### **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or
- (e) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

### **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or

agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (FATCA) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

### **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer' domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed and provided that the redemption conditions laid down in Clause 5.6 are met.

### **11.3 Cancellation**

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

## **12. NOTICES**

### **12.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

### **12.2 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail [or [*insert other means of communication*]].

## **13. MEETINGS OF NOTEHOLDERS**

Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## **[14. SUBSTITUTION OF THE ISSUER**

### **14.1 Substitution**

[The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution and in the opinion of [the Issuer] [●], of at least the equivalent standing and creditworthiness to the Issuer provided that:

- (e) the Substitute Issuer is solvent and can perform all obligations under and in connection with the Notes;
- (f) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;
- (g) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (h) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

Notice of any such substitution shall be given to the Noteholders in accordance with Condition 12.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Condition 14 and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.] [●]

[After the substitution(s) of the Issuer by a Substitute Issuer this Condition 14 shall apply again. In the event of such a substitution(s), every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.] [●]

### **14.2 Change of References**

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

### **[14.3 Further substitution**

[After a substitution pursuant to Condition 14.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Condition 14.1 and 14.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.] [●]]

### **[14.4 Reverse substitution**

[After a substitution pursuant to Condition 14.1 [or 14.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.] [●]

## [14.][15.] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

### [14.1][15.1] Governing Law

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law, except for the provisions of Clause 4.1 (*Ranking*) and Clause 13 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

### [14.2][15.2] Place of Jurisdiction

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4.1 (*Ranking*) and Clause 13 (*Meetings of Noteholders*).

### [14.3][15.3] Enforcement

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, [and] (b) specifying the aggregate principal amount of the Notes[, and [●]]. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

## [15][16.] DEFINITIONS

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

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

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

**Applicable Exchange Rate** has the meaning assigned to it in Clause 6.2.

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxemburg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

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

**Business Day Financial Centre** means [●].

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

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

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

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

**Code** has the meaning assigned to it in Clause 10.2.

**Competent Authority** means the Malta Financial Services Authority and any authority that succeeds into its relevant function.

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

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

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

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year][●].

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

**Distribution Agent[s]** means [Timberland Invest Ltd.] [and] Timberland Capital Management GmbH [and] [●].

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

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

**FATCA** has the meaning assigned to it in Clause 10.2.

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

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

**Issuer Register** has the meaning assigned to it in Clause 1.2(e).

**Maturity Date** has the meaning assigned to it in Clause 7.1.

**Noteholder** means each person holding one or more Note(s).

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

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [14.2][15.2].

**Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Register** has the meaning assigned to it in Clause 1.2(d).

**Registrar and Transfer Agent[s]** means [E-Stream Energy GmbH & Co KG] [and] [Alter Domus (Services) Malta Limited] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

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

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

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 12 (*Substitution of the Issuer*).]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

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

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

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## Option III – Terms and Conditions of the Fixed Rate Bearer Notes

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

#### 1.1 Currency, Denomination

This tranche of [subordinated] fixed rate notes (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

#### 1.2 Form

1.3 The Notes are being issued in bearer form.

#### 1.4 Global Notes

- (a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for a permanent global note (the **Permanent Global Note** and together with the Temporary Global Note, the **Global Notes** or a **Global Note**) without coupons. The Temporary Global Note and the Permanent Global Note shall bear the signatures of two authorised signatories of the Issuer [and shall each be authenticated with a control signature of the Fiscal Agent]. Definitive Notes and coupons will not be issued.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not later than 180 calendar days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 calendar days after the date of issue of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this sub-paragraph (b) of Clause 1.4. Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

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

#### 1.5 Clearing System

The Global Notes will be kept in custody by or on behalf of a Clearing System as central depository for securities (*Wertpapiersammelbank*) until, in case of the Permanent Global Note, all obligations of the Issuer under the Notes have been satisfied.

### 2. STATUS

[The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking pari passu without any preference among themselves and pari passu with all other, present and

future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.]

[The Notes constitute direct, unsecured and subordinated obligations of the Issuer.

Qualified subordination clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

- (a) junior to all present or future unsubordinated instruments or obligations of the Issuer; whereby:
  - (i) All claims under the Notes, including but not limited to the claims for payment of the Principal Amount[, the Call Redemption Amount] and the payment of distributions, 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 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.
  - (ii) Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.
  - (iii) The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) within applying mutatis mutandis the meaning of German insolvency law.
  - (iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.
  - (v) In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.
  - (vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole (*Gläubigersamtheit*) applying 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 Issuer.
- (b) pari passu among themselves; and
- (c) senior to all present or future (a) obligations under any CRR Instruments, and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes.]

### 3. DISTRIBUTIONS

#### 3.1 Distribution Rate and Distribution Payment Dates

The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [[●], [annually]][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 4.5.

### **3.2 Calculation of Amount of Distributions**

The amount of distributions shall be calculated by applying the Rate of Distributions to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

### **3.3 Default Distributions**

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## **4. PAYMENTS**

### **4.1 Payment of Principal**

Payment of principal on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

### **4.2 Payment of Distributions**

Payment of distributions on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System, and in case of payment of distributions on Notes represented by a Temporary Global Note, upon due certification as provided for in Clause 1.4(b).

### **4.3 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

### **4.4 Discharge**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

#### 4.5 Payment Business Day

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

#### 4.6 References to Principal and Distributions

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 8.1.

### 5. REDEMPTION

#### 5.1 Maturity Date

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the **Maturity Date**).]

#### 5.2 [No] Early Redemption at the Option of a Noteholder

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

[

- (a) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert:* The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 5.]
- (b) In order to exercise such option, the Noteholder must, not less than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days][[*in case of perpetual Notes insert minimum number of years*] years] nor more than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days][[*in case of perpetual Notes insert minimum number of years*] years] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] [[*in case of non-perpetual Notes insert minimum period of notice to Issuer*] Payment Business Day][[*in case of perpetual Notes insert minimum period of notice to Issuer in years*] year] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent and the Paying Agent[s] in the [English][German] language and includes further information. No option so exercised may be revoked or withdrawn.]

### 5.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

- (a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.
- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify:
  - (i) the series number of the Notes;
  - (ii) the Call Redemption Date which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert: nor more than [insert number of days]*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders; and
  - (iii) the Call Redemption Amount at which the Notes are to be redeemed.

[*in case the Notes are subject to the Early Redemption at the Option of a Noteholder, insert:*

- (c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 5.2.

]]

### 5.4 [No] Early Redemption for Reasons of Taxation

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[

- (a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is required to pay Additional Amounts under Clause 8.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.
- (b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

## 6. EVENTS OF DEFAULT

- (a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:
- (i) the Issuer fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or
  - (ii) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or
  - (iii) the Issuer suspends payment or announces its inability to pay its debts; or
  - (iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or
  - (v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the English language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## 7. FISCAL AGENT, PRINCIPAL PAYING AGENT

### 7.1 Appointment, Specified Offices

The initial Fiscal Agent, and the initial Principal Paying Agent[s] and their respective initial specified offices are:

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

Initial Principal Paying Agent[s]:  
[Citibank, N.A., London Branch  
Citigroup Centre, Canada Square  
Canary Wharf  
London E14 5LB]

United Kingdom]

[Baader Bank Aktiengesellschaft  
Weihenstephaner Str. 4  
85716 Unterschleißheim  
Federal Republic of Germany]

[FinTech Group Bank AG  
Rotfeder-Ring 7  
60327 Frankfurt am Main  
Federal Republic of Germany]

[•]

Where these Terms and Conditions refer to the term **Paying Agent[s]**, such term shall include the Principal Paying Agent.

The Fiscal Agent, and the Paying Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city][in *insert city*].

## **7.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time to vary or terminate the appointment of any Fiscal Agent, or any Paying Agent and to appoint another Fiscal Agent, additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent [,] [and] (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority][authorities] [*in case of payments in U.S. Dollars insert: [,] [and] (iii) if payments at or through the offices of [a][all] Paying Agent[s] outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. Dollars, a Paying Agent with a specified office in New York*]. The Issuer will give notice to the Noteholders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

The Issuer undertakes, to the extent this is possible, to maintain a Paying Agent in a member state of the European Union in which it shall not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive 2003/48/EC.

## **7.3 Agents of the Issuer**

The Fiscal Agent, and the Paying Agent[s] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

## **7.4 Determinations Binding**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith, inequitableness or manifest error) be binding on the Issuer, the Paying Agent[s], and the Noteholders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agent[s], or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## **8. TAXATION**

## 8.1 Withholding Taxes and Additional Amounts

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last calendar day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or
- (e) are withheld or deducted in relation to a Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or
- (f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or
- (g) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution; or
- (h) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 10, whichever occurs later.

## 8.2 U.S. Foreign Account Tax Compliance Act (FATCA)

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

### **8.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **9. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **9.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **9.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **9.3 Cancellation**

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

## **10. NOTICES**

### **10.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

### **10.2 Publication of Notices of the Issuer via the Clearing System**

If the publication of notices pursuant to Clause 10.1 is no longer required by law, the Issuer may, in lieu of publication in the media set forth in Clause 10.1, deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the [●] calendar day after the calendar day on which said notice was given to the Clearing System.

### **10.3 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) and by hand or mail [or [*insert other means of communication*]. The Noteholder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Noteholder maintains a securities account in respect of the Notes that such Noteholder is, at the time such notice is given, the Noteholder of the relevant Notes, or (ii) in any other appropriate manner.

## **11. MEETINGS OF NOTEHOLDERS**

Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## **[12. SUBSTITUTION OF THE ISSUER**

### **12.1 Substitution**

[The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution and in the opinion of [the Issuer] [●], of at least the equivalent standing and creditworthiness to the Issuer provided that:

- (i) the Substitute Issuer is solvent and can perform all obligations under and in connection with the Notes;
- (j) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;
- (k) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (l) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

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

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

[After the substitution(s) of the Issuer by a Substitute Issuer this Condition 12 shall apply again. In the event of such a substitution(s), every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Issuer]. [●]

### **12.2 Change of References**

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

### **[12.3 Further substitution**

[After a substitution pursuant to Condition 12.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Condition 12.1 and 12.2 shall

apply mutatis mutandis, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.] [●]]

#### [12.4] **Reverse substitution**

[After a substitution pursuant to Condition 12.1 [or 12.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.] [●]]

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

#### [12.1][13.1] **Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the provisions of Clause 2 (*Ranking*) and Clause 11 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

#### [12.2][13.2] **Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 2 (*Ranking*) and Clause 11 (*Meetings of Noteholders*).

#### [12.3][13.3] **Enforcement**

Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

### [13.][14.] **DEFINITIONS**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 8.1.

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

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

**Business Day Financial Centre** means [●].

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

[**Call Redemption Amount** equals [the Principal Amount][●].]

**[Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof] [Distribution Payment Date thereafter].]

**Clearing System** means [Clearstream Luxembourg and Euroclear] [and/or] [Clearstream Frankfurt] [and/or] [OeKB CSD] and any successor in such capacity. [The Notes shall be kept in custody by a common depository on behalf of both ICSDs.]

**[Clearstream Frankfurt** means Clearstream Banking AG, The Cube, Mergenthalerallee 61, 65760 Eschborn, Federal Republic Germany.]

**[Clearstream Luxembourg** means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.]

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

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

**[CRR Instrument** means any capital instrument governed by the CRR regime.]

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360][●].

**Distribution Commencement Date** has the meaning assigned to it in Clause 3.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 3.1.

**Early Redemption Amount** means [the Principal Amount][●].

**[Euroclear** means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.]

**Exchange Date** has the meaning assigned to it in Clause 1.4.

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

**Fiscal Agent** means [Timberland Invest Ltd.][●].

**Global Note(s)** has the meaning assigned to it in Clause 1.4.

**[ICSDs** means Clearstream Luxembourg and Euroclear.]

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

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

**Noteholder** means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new holder in accordance with applicable law and the provisions of the Clearing System.

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

[**OeKB CSD GmbH** means OeKB CSD GmbH Strauchgasse 1-3, 1010 Vienna, Austria.]

**Paying Agent[s]** means [Citibank, N.A., London Branch] [and] [Baader Bank Aktiengesellschaft] [FinTech Group Bank AG] [and] [●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System is open for business.

**Permanent Global Note** has the meaning assigned to it in Clause 1.4.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [12.2][13.2].

[**Put Notice** has the meaning assigned to it in Clause 5.2.]

[**Put Redemption Amount(s)** means [●].]

[**Put Redemption Date(s)** means [●].]

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

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 10.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 12 (*Substitution of the Issuer*).]

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

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

**Temporary Global Note** has the meaning assigned to it in Clause 1.4.

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

## Option IV – Terms and Conditions of the Fixed Rate Registered Notes

### 1. CURRENCY, DENOMINATION, FORM, TITLE

#### 1.1 Currency, Denomination

This tranche of [subordinated] fixed rate notes (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

#### 1.2 Form

- (a) The Notes are being fully issued in registered form and may under no circumstances be converted into notes in bearer form.
- (b) The Issuer may issue Notes for no consideration to be held by the Issuer with a view to selling those Notes on the secondary market. All determinations made under these Terms and Conditions will reflect the fact that such Notes issued and directly held by the Issuer have been issued for no consideration (the issue price for those Notes will be deemed to be 0). So long as any Notes are held by the Issuer, any rights attached to such Notes (such as financial rights and voting rights) will be suspended.
- (c) The Notes are not clearable through any clearing system and cannot (and will not) be admitted to trading and/or listed on any stock exchange, regulated or unregulated market.
- (d) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of Noteholders of Notes (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.
- (e) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).
- (f) A Noteholder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Registered Notes.

#### 1.3 Title

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

### 2. TRANSFERS

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the registered Note in the form satisfactory to the

Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonably require.

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

### 3. CLOSED PERIODS

No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the Notes under Clause 7.2, to register the transfer of these Notes (or parts of these Notes) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. STATUS

[The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.]

[The Notes constitute direct, unsecured and subordinated obligations of the Issuer.

Qualified subordination clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

- (a) junior to all present or future unsubordinated instruments or obligations of the Issuer; whereby:
  - (i) All claims under the Notes, including but not limited to the claims for payment of the Principal Amount[, the Call Redemption Amount] and the payment of distributions, 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 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.
  - (ii) Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.
  - (iii) The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) within applying *mutatis mutandis* the meaning of German insolvency law.
  - (iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.
  - (v) In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.

(vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole (*Gläubigersamtheit*) applying 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 Issuer.

(b) pari passu among themselves; and

(c) senior to all present or future (a) obligations under any CRR Instruments, and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes.]

## 5. DISTRIBUTIONS

### 5.1 Distribution Rate and Distribution Payment Dates

The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid [[●], [annually][semi-annually][quarterly]][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 6.4.

### 5.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the Rate of Distributions to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

### 5.3 Default Distributions

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## 6. PAYMENTS

### 6.1 Payment of Principal and Distributions

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder the details of which are recorded in the Register at a given time.

### 6.2 Manner of Payment

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment

obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

### **6.3 Discharge**

The Issuer shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Register.

### **6.4 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## **7. REDEMPTION**

### **7.1 Maturity Date**

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the **Maturity Date**).]

### **7.2 [No] Early Redemption at the Option of a Noteholder**

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

[

- (a) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert:* The Noteholder may not exercise such option in respect of any

Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 7.]

- (b) In order to exercise such option, the Noteholder must, not less than *[[in case of non-perpetual Notes insert minimum number of days] Payment Business Day][[in case of perpetual Notes insert minimum number of years] years]* nor more than *[[in case of non-perpetual Notes insert minimum number of days] Payment Business Days] [in case of perpetual Notes insert minimum number of years] years]* before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] *[[in case of non-perpetual Notes insert minimum period of notice to Issuer] Payment Business Day][[in case of perpetual Notes insert minimum period of notice to Issuer in years] year]* before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English][German] language and includes further information. No option so exercised may be revoked or withdrawn.

]

### 7.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

- (a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.
- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:
- (i) the series number of the Notes;
  - (ii) the Call Redemption Date which shall be not less than *[insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]] Payment Business Days [in case of a maximum notice period insert: nor more than [insert number of days]] Payment Business Days* after the calendar day on which notice is given by the Issuer to the Noteholders; and
  - (iii) the Call Redemption Amount at which the Notes are to be redeemed.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder, insert:*

- (c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.

]]

### 7.4 [No] Early Redemption for Reasons of Taxation

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[

- (a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.
- (b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

## **8. EVENTS OF DEFAULT**

- (a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:
  - (i) the Issuer fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or
  - (ii) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or
  - (iii) the Issuer suspends payment or announces its inability to pay its debts; or
  - (iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or
  - (v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the [English][German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or

in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **9. FISCAL AGENT, REGISTRAR AND TRANSFER AGENT, DISTRIBUTION AGENT**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] and their respective initial specified offices are:

#### **Fiscal Agent**

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

#### **Registrar and Transfer Agent[s]:**

[E-Stream Energy GmbH & Co KG  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Alter Domus (Services) Malta Limited  
Vision Exchange Building Territorials Street  
Mriehel BKR 3000  
Malta]

[•]

#### **Distribution Agent[s]:**

[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Timberland Capital Management GmbH  
Hüttenallee 137  
47800 Krefeld  
Germany]

[•]

The Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city] [in [*insert city*]]. Each of the Fiscal Agent, 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.

### **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent, provided that the Issuer will at all times maintain a Fiscal Agent, 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 Noteholders in accordance with Clause 12.

### **9.3 Agents of the Issuer**

Each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

## **10. TAXATION**

### **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (c) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (d) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
- (e) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (f) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

### **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

### **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **11.3 Cancellation**

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

## **12. NOTICES**

### **12.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

### **12.2 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail [or [*insert other means of communication*]].

## **13. MEETINGS OF NOTEHOLDERS**

Articles 470-3 - 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## **[14. SUBSTITUTION OF THE ISSUER**

### **14.1 Substitution**

[The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the

**Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution and in the opinion of [the Issuer] [●], of at least the equivalent standing and creditworthiness to the Issuer provided that:

- (m) the Substitute Issuer is solvent and can perform all obligations under and in connection with the Notes;
- (n) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;
- (o) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (p) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

Notice of any such substitution shall be given to the Noteholders in accordance with Condition 12.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Condition 14 and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.] [●]

[After the substitution(s) of the Issuer by a Substitute Issuer this Condition 14 shall apply again. In the event of such a substitution(s), every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Issuer.] [●]

## **14.2 Change of References**

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

## **[14.3 Further substitution**

[After a substitution pursuant to Condition 14.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Condition 14.1 and 14.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.] [●]

## **[14.4 Reverse substitution**

[After a substitution pursuant to Condition 14.1 [or 14.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.] [●]

## **[14.][15.] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT**

### **[14.1][15.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the provisions of Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

#### **[14.2][15.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*).

#### **[14.3][15.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, [and] (b) specifying the aggregate principal amount of the Notes[, and [●]]. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

#### **[15.][16.] DEFINITIONS**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

**Applicable Exchange Rate** has the meaning assigned to it in Clause 6.2.

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

**Business Day Financial Centre** means [●].

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

[**Call Redemption Amount** equals [the Principal Amount][●].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

**Code** has the meaning assigned to it in Clause 10.2.

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

[**CRR Instrument** means any capital instrument governed by the CRR regime.]

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year][the actual number of calendar days in the Calculation Period divided by 360][●].

**Distribution Agent[s]** means [Timberland Invest Ltd.] [and] [Timberland Capital Management GmbH] [and] [●].

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

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

**Early Redemption Amount** means [the Principal Amount][●].

**FATCA** has the meaning assigned to it in Clause 10.2.

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

**Issuer Register** has the meaning assigned to it in Clause 1.2(e).

**Maturity Date** has the meaning assigned to it in Clause 7.1.

**Noteholder** means each person holding one or more Note(s).

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

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [14.2][15.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

[**Put Redemption Amount(s)** means [●].]

[**Put Redemption Date(s)** means [●].]

**Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Register** has the meaning assigned to it in Clause 1.2(d).

**Registrar and Transfer Agent[s]** means [E-Stream Energy GmbH & Co KG] [and] [Alter Domus (Services) Malta Limited] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 12 (*Substitution of the Issuer*).]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## Option V– Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form

### 1. CURRENCY, DENOMINATION, FORM, TITLE

#### 1.1 Currency, Denomination

This tranche of [subordinated] fixed rate registered notes issued in dematerialised form (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

#### 1.2 Form

- (a) The Notes are being issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the Electronic register maintained on behalf of the Issuer at the CSD. The Notes may under no circumstances be converted into notes in bearer form. For as long as any of the securities issued by the company shall be and remain dematerialised under the Financial Markets Act (Cap 345 of the Laws of Malta) the terms and conditions relating to such securities including without prejudice to the generality of the foregoing, their issuance, transfer, exchange, redemption and or cancellation shall be governed in accordance with the applicable rules and procedures set out by the relevant central securities depository providing dematerialisation and any other provision shall apply only to the extent that it is not inconsistent with such rules and procedures.
- (b) Certificates will not be delivered to Noteholders.
- (c) The CSD will issue, upon a request by a Noteholder, a statement of holdings to such Noteholder evidencing his/her/its entitlement to the Notes held in the register kept by the CSD.

#### 1.3 Title

- (a) Ownership in respect of the Notes is established by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD (hereinafter, the **Electronic Register**). There will be entered in such Electronic Register the names, addresses, identity card numbers (in the case of natural persons) and registration numbers (in the case of companies) of the Noteholders, as well as particulars of the Notes held by them respectively. Noteholders shall have, at all reasonable times during business hours, access to the register of Noteholders held at the CSD for the purpose of inspecting information held on their respective account.
- (b) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, any person in whose name a Note is registered in the Electronic Register may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note and no person will be liable for so treating the Noteholder.
- (c) No transfer of a Note shall be recognised by the Issuer unless entered in the Electronic Register.

### 2. TRANSFERS

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the Note in the form satisfactory to the Registrar and Transfer Agent, the Issuer and/or the CSD, together with a copy of the passport or ID card

of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent, the Issuer and/or the CSD may reasonably require.

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

### 3. CLOSED PERIODS

No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the Notes under Clause 7.2, to register the transfer of these Notes (or parts of these Notes) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. STATUS

[The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.]

[The Notes constitute direct, unsecured and subordinated obligations of the Issuer.

Qualified subordination clause:

In the insolvency or liquidation of the Issuer, the obligations of the Issuer under the Notes will rank:

- (a) junior to all present or future unsubordinated instruments or obligations of the Issuer; whereby:
  - (i) All claims under the Notes, including but not limited to the claims for payment of the Principal Amount[, the Call Redemption Amount] and the payment of distributions, 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 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.
  - (ii) Payments under the Notes may only be demanded from future annual net profits, from any liquidation surplus or from other disposable assets.
  - (iii) The Noteholders may not demand satisfaction of their claims if this results, or threatens to result, in the Issuer becoming overindebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) within applying *mutatis mutandis* the meaning of German insolvency law.
  - (iv) Paragraphs (i) to (iii) apply both before and after the opening of insolvency proceedings.
  - (v) In all other respects, the Noteholders are entitled without restriction to assert their rights under the Notes and to claim performance.
  - (vi) For the avoidance of doubt, this clause constitutes an agreement for the benefit of all creditors of the Issuer as a whole (*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 Issuer.

- (b) pari passu among themselves; and
- (c) senior to all present or future (a) obligations under any CRR Instruments, and (b) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank subordinated to the obligations of the Issuer under the Notes.]

## 5. DISTRIBUTIONS

### 5.1 Distribution Rate and Distribution Payment Dates

The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid [[●], [annually][semi-annually][quarterly]][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 6.4.

### 5.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the Rate of Distributions to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

### 5.3 Default Distributions

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## 6. PAYMENTS

### 6.1 Payment of Principal and Distributions

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder communicated to the Issuer [in the application form].

### 6.2 Manner of Payment

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a

result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

### **6.3 Discharge**

The Issuer shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Electronic Register.

### **6.4 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## **7. REDEMPTION**

### **7.1 Maturity Date**

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the **Maturity Date**).]

### **7.2 [No] Early Redemption at the Option of a Noteholder**

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

[

- (a) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert:* The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 7.]

- (b) In order to exercise such option, the Noteholder must, not less than *[[in case of non-perpetual Notes insert minimum number of days] Payment Business Days][[in case of perpetual Notes insert minimum number of notice years] years]* nor more than *[[in case of non-perpetual Notes insert minimum number of days] Payment Business Days] [in case of perpetual Notes insert minimum number of years] years]* before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] *[[in case of non-perpetual Notes insert minimum period of notice to Issuer] [Payment Business Day][[in case of perpetual Notes insert minimum period of notice to Issuer in years] year]* before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English][German] language and includes further information. No option so exercised may be revoked or withdrawn.

]

### 7.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

- (a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.
- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:
- (i) the series number of the Notes;
  - (ii) the Call Redemption Date which shall be not less than *[insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days] Payment Business Days [in case of a maximum notice period insert: nor more than [insert number of days]] Payment Business Days* after the calendar day on which notice is given by the Issuer to the Noteholders; and
  - (iii) the Call Redemption Amount at which the Notes are to be redeemed.

*[in case the Notes are subject to the Early Redemption at the Option of a Noteholder, insert:*

- (c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.

]]

[

### 7.4 [No] Redemption for Reasons of Taxation

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[

- (a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.
- (b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.]

## 8. EVENTS OF DEFAULT

- (a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:
  - (i) the Issuer fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or
  - (ii) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or
  - (iii) the Issuer suspends payment or announces its inability to pay its debts; or
  - (iv) a court institutes insolvency proceedings against the Issuer, and such proceedings are not set aside or stayed within 60 days, or the Issuer or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or
  - (v) the Issuer goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer in connection with the Notes.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the [English][German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **9. FISCAL AGENT, REGISTRAR AND TRANSFER AGENT, DISTRIBUTION AGENT**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] and their respective initial specified offices are:

#### **Fiscal Agent**

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

#### **Registrar and Transfer Agent[s]:**

[Malta Stock Exchange  
Garrison Chapel  
Castille Place  
Valletta, VLT 1063  
Malta]

[•]

#### **Distribution Agent[s]:**

[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Timberland Capital Management GmbH  
Hüttenallee 137  
47800 Krefeld  
Germany]

[•]

The Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city] [in *[insert city]*]. Each of the Fiscal Agent, 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.

### **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent, provided that the Issuer will at all times maintain a Fiscal Agent, 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 Noteholders in accordance with Clause 12.

### **9.3 Agents of the Issuer**

Each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

## **10. TAXATION**

### **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (d) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

### **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

### **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

## **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

## **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

## **11.3 Cancellation**

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

## **12. NOTICES**

### **12.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

### **12.2 Form of Notice to be given by any Noteholder**

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail [or [*insert other means of communication*]].

## **13. MEETINGS OF NOTEHOLDERS**

Articles 470-3 - 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## **[14. SUBSTITUTION OF THE ISSUER**

### **14.1 Substitution**

[The Issuer shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as the Issuer another person (the **Substitute Issuer**) as principle debtor) under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution and in the opinion of [the Issuer] [●], of at least the equivalent standing and creditworthiness to the Issuer provided that:

- (q) the Substitute Issuer is solvent and can perform all obligations under and in connection with the Notes;

- (r) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Issuer;
- (s) the Substitute Issuer has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (t) the substitution of the Substitute Issuer for the Issuer (as the case may be) does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders and the Substitute Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

Notice of any such substitution shall be given to the Noteholders in accordance with Condition 12.

[The Issuer will not guarantee the obligations of the Substitute Issuer under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Issuer effected in accordance with this Condition 14 and to the release of the Issuer from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof.] [●]

[After the substitution(s) of the Issuer by a Substitute Issuer this Condition 14 shall apply again. In the event of such a substitution(s), every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Issuer]. [●]

## **14.2 Change of References**

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

## **[14.3 Further substitution**

[After a substitution pursuant to Condition 14.1, the Substitute Issuer may, without the consent of any Noteholders, effect a further substitution. All the provisions specified in Condition 14.1 and 14.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further the Substitute Issuer.] [●]

## **[14.4 Reverse substitution**

[After a substitution pursuant to Condition 14.1 [or 14.3] any the Substitute Issuer may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.] [●]

## **[14.][15.] GENERAL**

For as long as the Notes remain in dematerialised form, these terms and conditions, including the terms applicable to issuance, transfer, exchange, redemption and/or cancellation of the Notes shall be subject to the applicable rules and procedures set out by CSD (the **CSD Rules**) and in the event of inconsistency between these terms and conditions and the CSD Rules, the CSD Rules shall prevail. Any amendment, variation or deletion of this clause shall be subject to the express written approval of the CSD to be obtained prior to the approval of the Noteholders.

## **[15.][16.] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT**

### **[15.1][16.2] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the provisions of Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

#### **[15.2][16.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*).

#### **[15.3][16.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, [and] (b) specifying the aggregate principal amount of the Notes[, and [●]]. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

#### **[16.][17.] DEFINITIONS**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

**Applicable Exchange Rate** has the meaning assigned to it in Clause 6.2.

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

**Business Day Financial Centre** means [●].

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

[**Call Redemption Amount** equals [the Principal Amount][●].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

**Code** has the meaning assigned to it in Clause 10.2.

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

[**CRR Instrument** means any capital instrument governed by the CRR regime.]

**CSD** means the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta.

**CSD Rules** has the meaning assigned to it in Clause 10.2.

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the CSD.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year][the actual number of calendar days in the Calculation Period divided by 360][●].

**Distribution Agent[s]** means [Timberland Invest Ltd.] [and] [Timberland Capital Management GmbH] [and] [●].

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

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

**Early Redemption Amount** means [the Principal Amount][●].

**Electronic Register** has the meaning assigned to it in Clause 1.3.

**FATCA** has the meaning assigned to it in Clause 10.2.

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

**Maturity Date** has the meaning assigned to it in Clause 7.1.

**Noteholder** means each person holding one or more Note(s).

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

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System or its successor is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [15.2][16.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

[**Put Redemption Amount(s)** means [●].]

[**Put Redemption Date(s)** means [●].]

**Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Registrar and Transfer Agent[s]** means [Malta Stock Exchange] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 12 (*Substitution of the Issuer*).]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## Option VI – Terms and Conditions of the guaranteed Fixed Rate Bearer Notes

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

#### 1.1 Currency, Denomination

This tranche of guaranteed fixed rate notes (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

#### 1.2 Form

1.3 The Notes are being issued in bearer form.

#### 1.4 Global Notes

(a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for a permanent global note (the **Permanent Global Note** and together with the Temporary Global Note, the **Global Notes** or a **Global Note**) without coupons. The Temporary Global Note and the Permanent Global Note shall bear the signatures of two authorised signatories of the Issuer [and shall each be authenticated with a control signature of the Fiscal Agent]. Definitive Notes and coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the **Exchange Date**) not later than 180 calendar days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 calendar days after the date of issue of the Temporary Global Note. Such exchange shall only be made to the extent that certifications have been delivered to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to this sub-paragraph (b) of Clause 1.4. Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

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

#### 1.5 Clearing System

The Global Notes will be kept in custody by or on behalf of a Clearing System as central depository for securities (*Wertpapiersammelbank*) until, in case of the Permanent Global Note, all obligations of the Issuer under the Notes have been satisfied.

### 2. STATUS AND GUARANTEE

The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking pari passu without any preference among themselves and pari passu with all other, present and

future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.

Timberland Securities Investment plc (the **Guarantor**) has given its unconditional and irrevocable guarantee (the **Guarantee**) dated 26. June 2019 for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note in a total amount of up to [the aggregate principal amount of the Notes][*insert specified currency*] [●] The Guarantee constitute a contract for the benefit of the Noteholders from time to time as third party beneficiaries in accordance with section 328 subparagraph 1 German Civil Code (*Bürgerliches Gesetzbuch*), giving rise to the right of each Noteholder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

### **3. DISTRIBUTIONS**

#### **3.1 Distribution Rate and Distribution Payment Dates**

The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) [to and excluding the Maturity Date]. Distributions shall be scheduled to be paid [[●], [annually]][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 4.5.

#### **3.2 Calculation of Amount of Distributions**

The amount of distributions shall be calculated by applying the Rate of Distributions to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

#### **3.3 Default Distributions**

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

### **4. PAYMENTS**

#### **4.1 Payment of Principal**

Payment of principal on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

#### **4.2 Payment of Distributions**

Payment of distributions on the Notes shall be made, subject to Clause 4.3 below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System, and in case of payment of distributions on Notes represented by a Temporary Global Note, upon due certification as provided for in Clause 1.4(b).

#### **4.3 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

#### **4.4 Discharge**

The Issuer and the Guarantor shall be discharged by payment to, or to the order of, the Clearing System.

#### **4.5 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

#### **4.6 References to Principal and Distributions**

References in these Terms and Conditions, or the Guarantee, to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 8.1.

### **5. REDEMPTION**

#### **5.1 Maturity Date**

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the **Maturity Date**).]

#### **5.2 [No] Early Redemption at the Option of a Noteholder**

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

[

- (e) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if

any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert:* The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 5.]

- (f) In order to exercise such option, the Noteholder must, not less than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days][[*in case of perpetual Notes insert minimum number of years*] years] nor more than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days][[*in case of perpetual Notes insert minimum number of years*] years] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] [[*in case of non-perpetual Notes insert minimum period of notice to Issuer*] Payment Business Day][[*in case of perpetual Notes insert minimum period of notice to Issuer in years*] year] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent and the Paying Agent[s] in the [English][German] language and includes further information. No option so exercised may be revoked or withdrawn.]

### 5.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

- (a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.
- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 10. Such notice shall be irrevocable and shall specify:
- (i) the series number of the Notes;
  - (ii) the Call Redemption Date which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert:* nor more than [*insert number of days*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders; and
  - (iii) the Call Redemption Amount at which the Notes are to be redeemed.

[*in case the Notes are subject to the Early Redemption at the Option of a Noteholder, insert:*

- (c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 5.2.

]]

### 5.4 [No] Early Redemption for Reasons of Taxation

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[

- (a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer, or the Guarantor, is required to pay Additional Amounts under Clause 8.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, or the Guarantor, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer, or the Guarantor, would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.
- (b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer, or the Guarantor, so to redeem.]

## **6. EVENTS OF DEFAULT**

- (a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:
  - (i) the Issuer, or the Guarantor, fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or
  - (ii) the Issuer, or the Guarantor, fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or
  - (iii) the Issuer, or the Guarantor, suspends payment or announces its inability to pay its debts; or
  - (iv) a court institutes insolvency proceedings against the Issuer, or the Guarantor, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer, or the Guarantor, or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or
  - (v) the Issuer, or the Guarantor, goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer, or the Guarantor, in connection with the Notes, or the Guarantee;
  - (vi) the Guarantee ceases to be legally valid and binding or the Guarantor fails to fulfil its obligations under the Guarantee.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) Any notice, including any notice declaring Notes due, in accordance with subparagraph (a) shall be made by means of a written declaration in the English language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## 7. FISCAL AGENT, PRINCIPAL PAYING AGENT

### 7.1 Appointment, Specified Offices

The initial Fiscal Agent, and the initial Principal Paying Agent[s] and their respective initial specified offices are:

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

Initial Principal Paying Agent[s]:  
[Citibank, N.A., London Branch  
Citigroup Centre, Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom]

[Baader Bank Aktiengesellschaft  
Weihenstephaner Str. 4  
85716 Unterschleißheim  
Federal Republic of Germany]

[FinTech Group Bank AG  
Rotfeder-Ring 7  
60327 Frankfurt am Main  
Federal Republic of Germany]

[•]

Where these Terms and Conditions refer to the term **Paying Agent[s]**, such term shall include the Principal Paying Agent.

The Fiscal Agent, and the Paying Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city][in [*insert city*]].

### 7.2 Variation or Termination of Appointment

The Issuer reserves the right at any time to vary or terminate the appointment of any Fiscal Agent, or any Paying Agent and to appoint another Fiscal Agent, additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent [,] [and] (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as

may be required by the rules of such stock exchange or its supervisory [authority][authorities] [*in case of payments in U.S. Dollars insert: [,] [and] (iii) if payments at or through the offices of [a][all] Paying Agent[s] outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. Dollars, a Paying Agent with a specified office in New York].* The Issuer will give notice to the Noteholders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

The Issuer undertakes, to the extent this is possible, to maintain a Paying Agent in a member state of the European Union in which it shall not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive 2003/48/EC.

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

The Fiscal Agent, and the Paying Agent[s] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

### **7.4 Determinations Binding**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith, inequitableness or manifest error) be binding on the Issuer, the Paying Agent[s], and the Noteholders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agent[s], or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## **8. TAXATION**

### **8.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta or the European Union is a party, or (iii) any

provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or

- (d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last calendar day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or
- (e) are withheld or deducted in relation to a Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or
- (f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or
- (g) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution; or
- (h) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 10, whichever occurs later.

## **8.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **8.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **9. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **9.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **9.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **9.3 Cancellation**

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

## 10. NOTICES

### 10.1 Notices of the Issuer

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][insert any other website] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

### 10.2 Publication of Notices of the Issuer via the Clearing System

If the publication of notices pursuant to Clause 10.1 is no longer required by law, the Issuer may, in lieu of publication in the media set forth in Clause 10.1, deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the [●] calendar day after the calendar day on which said notice was given to the Clearing System.

### 10.3 Form of Notice to be given by any Noteholder

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) and by hand or mail [or insert other means of communication]. The Noteholder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Noteholder maintains a securities account in respect of the Notes that such Noteholder is, at the time such notice is given, the Noteholder of the relevant Notes, or (ii) in any other appropriate manner.

## 11. MEETINGS OF NOTEHOLDERS

Articles 470-3 – 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## [12. SUBSTITUTION OF THE ISSUER [AND THE GUARANTOR[S]]

### 12.1 Substitution

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Guarantor[s]] [as the case may be] shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as [the Issuer] [or] [as [the] [a] Guarantor[s]] [as the case may be] [an]other person[s] [each] [(the **Substitute Issuer**) as principle debtor] [and] [or] [(**the Substitute Guarantor[s]**)] as Guarantor[s]] under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution[s] and in the opinion of [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] [●], of at least the equivalent standing and creditworthiness to [either] [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] provided that:

- (a) [either] [the Substitute Issuer] [and] [or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] is [are] solvent and can perform all obligations under and in connection with the Notes;

- (b) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of [either] [the Substitute Issuer] [and] [or] [the Substitute Guarantor[s]] [as the case may be];
- (c) [either] [the Substitute Issuer] [and] [or] [[each of] the Substitute Guarantor[s]] [as the case may be] [has] [have] been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (d) the substitution[s] of [the Substitute Issuer for the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s] for the Guarantor] [as the case may be] does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders or [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [●] [as the case may be] [has] [have] agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

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

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] will not guarantee the obligations of [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] under the Notes after the substitution[s]. The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution[s] [either] [of the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] effected in accordance with this Condition 12 and to the release [either] [of the Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution[s] and the consequences thereof.] [●]

[After the substitution[s] of [either] [the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] by [a Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] this Condition 12 shall apply again. In the event of such a substitution[s], every reference in these Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [●].

## 12.2 Change of References

In the event of any such substitution[s], any reference in these Terms and Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall from then on be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] and any reference to the country in which [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [is] [are] domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [respectively] [as the case may be].

## 12.3 Further substitution

[After a substitution pursuant to Condition 12.1, [either] [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholders, effect [each] a further substitution. All the provisions specified in Condition 12.1 and 12.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer [and] [or] [the Guarantor[s]] [, as the case may be,] shall, where the context so requires, be deemed to be or include references to any such further [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]].] [●]

#### [12.4] **Reverse substitution**

[After a substitution pursuant to Condition 12.1 [or 12.3] any [either] [the Substitute Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholder, reverse the substitution[s], mutatis mutandis.] [●]]

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

##### [12.1][13.1] **Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the provisions of Clause 2 (*Ranking*) and Clause 11 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

##### [12.2][13.2] **Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 2 (*Ranking*) and Clause 11 (*Meetings of Noteholders*).

##### [12.3][13.3] **Enforcement**

Any Noteholder of Notes may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of the Notes (a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

#### [13.][14.] **DEFINITIONS**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 8.1.

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

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

**Business Day Financial Centre** means [●].

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

[**Call Redemption Amount** equals [the Principal Amount][●].]

**[Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof] [Distribution Payment Date thereafter].]

**Clearing System** means [Clearstream Luxembourg and Euroclear] [and/or] [Clearstream Frankfurt] [and/or] [OeKB CSD] and any successor in such capacity. [The Notes shall be kept in custody by a common depository on behalf of both ICSDs.]

**[Clearstream Frankfurt** means Clearstream Banking AG, The Cube, Mergenthalerallee 61, 65760 Eschborn, Federal Republic Germany.]

**[Clearstream Luxembourg** means Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.]

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

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

**[CRR Instrument** means any capital instrument governed by the CRR regime.]

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year] [the actual number of calendar days in the Calculation Period divided by 360][●].

**Distribution Commencement Date** has the meaning assigned to it in Clause 3.1.

**Distribution Payment Date** has the meaning assigned to it in Clause 3.1.

**Early Redemption Amount** means [the Principal Amount][●].

**[Euroclear** means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.]

**Exchange Date** has the meaning assigned to it in Clause 1.4.

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

**Fiscal Agent** means [Timberland Invest Ltd.][●].

**Global Note(s)** has the meaning assigned to it in Clause 1.4.

**[ICSDs** means Clearstream Luxembourg and Euroclear.]

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

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

**Noteholder** means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new holder in accordance with applicable law and the provisions of the Clearing System.

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

[**OeKB CSD GmbH** means OeKB CSD GmbH Strauchgasse 1-3, 1010 Vienna, Austria.]

**Paying Agent[s]** means [Citibank, N.A., London Branch] [and] [Baader Bank Aktiengesellschaft] [FinTech Group Bank AG] [and] [●].

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System is open for business.

**Permanent Global Note** has the meaning assigned to it in Clause 1.4.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [12.2][13.2].

[**Put Notice** has the meaning assigned to it in Clause 5.2.]

[**Put Redemption Amount(s)** means [●].]

[**Put Redemption Date(s)** means [●].]

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

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 10.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 12 (*Substitution of the Issuer*).]

[**Substitute Guarantor[s]** has the meaning assigned to it in Condition 12 (*Substitution of the Issuer and the Guarantor[s]*).]

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

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

**Temporary Global Note** has the meaning assigned to it in Clause 1.4.

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

## Option VII – Terms and Conditions of the guaranteed Fixed Rate Registered Notes

### 1. CURRENCY, DENOMINATION, FORM, TITLE

#### 1.1 Currency, Denomination

This tranche of guaranteed fixed rate notes (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Pincipal Amount**).

#### 1.2 Form

- (a) The Notes are being fully issued in registered form and may under no circumstances be converted into notes in bearer form.
- (b) The Issuer may issue Notes for no consideration to be held by the Issuer with a view to selling those Notes on the secondary market. All determinations made under these Terms and Conditions will reflect the fact that such Notes issued and directly held by the Issuer have been issued for no consideration (the issue price for those Notes will be deemed to be 0). So long as any Notes are held by the Issuer, any rights attached to such Notes (such as financial rights and voting rights) will be suspended.
- (c) The Notes are not clearable through any clearing system and cannot (and will not) be admitted to trading and/or listed on any stock exchange, regulated or unregulated market.
- (d) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of Noteholders of Notes (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.
- (e) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).
- (f) A Noteholder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Registered Notes.

#### 1.3 Title

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

### 2. TRANSFERS

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the registered Note in the form satisfactory to the

Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonably require.

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

### 3. CLOSED PERIODS

No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the Notes under Clause 7.2, to register the transfer of these Notes (or parts of these Notes) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. STATUS AND GUARANTEE

The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.

Timberland Securities Investment plc (the **Guarantor**) has given its unconditional and irrevocable guarantee (the **Guarantee**) dated 26 June 2019 for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note in a total amount of up to [the aggregate principal amount of the Notes][*insert specified currency*] [●] The Guarantee constitute a contract for the benefit of the Noteholders from time to time as third party beneficiaries in accordance with section 328 subparagraph 1 German Civil Code (*Bürgerliches Gesetzbuch*), giving rise to the right of each Noteholder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

### 5. DISTRIBUTIONS

#### 5.1 Distribution Rate and Distribution Payment Dates

The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid [[●], [annually][semi-annually][quarterly]][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 6.4.

#### 5.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the Rate of Distributions to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

#### 5.3 Default Distributions

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due,

distributions shall continue to accrue on the Principal Amount of the Notes from and including the due date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## **6. PAYMENTS**

### **6.1 Payment of Principal and Distributions**

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder the details of which are recorded in the Register at a given time.

### **6.2 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

### **6.3 Discharge**

The Issuer and the Guarantor shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Register.

### **6.4 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions, or the Guarantee, to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these

Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## 7. REDEMPTION

### 7.1 Maturity Date

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the **Maturity Date**).]

### 7.2 [No] Early Redemption at the Option of a Noteholder

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

[

(g) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. *[in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert: The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 7.]*

(h) In order to exercise such option, the Noteholder must, not less than *[[in case of non-perpetual Notes insert minimum number of days] Payment Business Day][[in case of perpetual Notes insert minimum number of years] years]* nor more than *[[in case of non-perpetual Notes insert minimum number of days] Payment Business Days] [in case of perpetual Notes insert minimum number of years] years]* before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] *[[in case of non-perpetual Notes insert minimum period of notice to Issuer] Payment Business Day][[in case of perpetual Notes insert minimum period of notice to Issuer in years] year]* before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English][German] language and includes further information. No option so exercised may be revoked or withdrawn.

]

### 7.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:

- (i) the series number of the Notes;
- (ii) the Call Redemption Date which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert: nor more than [insert number of days]*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders; and
- (iii) the Call Redemption Amount at which the Notes are to be redeemed.

[*in case the Notes are subject to the Early Redemption at the Option of a Noteholder, insert:*

- (c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.

]]

#### **7.4 [No] Early Redemption for Reasons of Taxation**

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[

- (a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer is, or the Guarantor, required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, or the Guarantor, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer, or the Guarantor, would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.
- (b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer, or the Guarantor, so to redeem.]

#### **8. EVENTS OF DEFAULT**

- (a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:
  - (i) the Issuer, or the Guarantor, fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or
  - (ii) the Issuer, or the Guarantor, fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of

remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or

- (iii) the Issuer, or the Guarantor, suspends payment or announces its inability to pay its debts; or
- (iv) a court institutes insolvency proceedings against the Issuer, or the Guarantor, and such proceedings are not set aside or stayed within 60 calendar days, or the Issuer, or the Guarantor, or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or
- (v) the Issuer, or the Guarantor, goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer, or the Guarantor, in connection with the Notes, or the Guarantee;
- (vi) the Guarantee ceases to be legally valid and binding or the Guarantor fails to fulfil its obligations under the Guarantee.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) Any notice, including any notice declaring Notes due, in accordance with subparagraph 8(a) shall be made by means of a written declaration in the [English][German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **9. FISCAL AGENT, REGISTRAR AND TRANSFER AGENT, DISTRIBUTION AGENT**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] and their respective initial specified offices are:

#### **Fiscal Agent**

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

#### **Registrar and Transfer Agent[s]:**

[E-Stream Energy GmbH & Co KG  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Alter Domus (Services) Malta Limited  
Vision Exchange Building Territorials Street  
Mriehel BKR 3000]

Malta]

[•]

**Distribution Agent[s]:**

[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Timberland Capital Management GmbH  
Hüttenallee 137  
47800 Krefeld  
Germany]

[•]

The Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city] [in [*insert city*]]. Each of the Fiscal Agent, 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.

**9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent, provided that the Issuer will at all times maintain a Fiscal Agent, 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 Noteholders in accordance with Clause 12.

**9.3 Agents of the Issuer**

Each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

**10. TAXATION**

**10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

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

- (j) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
- (k) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (l) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

## **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **11.3 Cancellation**

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

## **12. NOTICES**

### **12.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website

thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication (or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

## 12.2 Form of Notice to be given by any Noteholder

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail [or *[insert other means of communication]*].

## 13. MEETINGS OF NOTEHOLDERS

Articles 470-3 - 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## 14. SUBSTITUTION OF THE ISSUER [AND THE GUARANTOR[S]]

### 14.1 Substitution

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Guarantor[s]] [as the case may be] shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as [the Issuer] [or] [as [the] [a] Guarantor[s]] [as the case may be] [an]other person[s] [each] [(the **Substitute Issuer**) as principle debtor] [and] [or] [(the **Substitute Guarantor[s]**)] as Guarantor[s]] under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution[s] and in the opinion of [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] [●], of at least the equivalent standing and creditworthiness to [either] [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] provided that:

- (e) [either] [the Substitute Issuer] [and] [or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] is [are] solvent and can perform all obligations under and in connection with the Notes;
- (f) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of [either] [the Substitute Issuer] [and] [or] [the Substitute Guarantor[s]] [as the case may be];
- (g) [either] [the Substitute Issuer] [and] [or] [[each of] the Substitute Guarantor[s]] [as the case may be] [has] [have] been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (h) the substitution[s] of [the Substitute Issuer for the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s] for the Guarantor] [as the case may be] does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders or [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [●] [as the case may be] [has] [have] agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

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

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] will not guarantee the obligations of [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] under the Notes after the substitution[s]. The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution[s] [either] [of the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] effected in accordance with this Condition 14 and to the release [either] [of the Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution[s] and the consequences thereof.] [●]

[After the substitution[s] of [either] [the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] by [a Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] this Condition 14 shall apply again. In the event of such a substitution[s], every reference in these Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [●].

## **14.2 Change of References**

In the event of any such substitution[s], any reference in these Terms and Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall from then on be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] and any reference to the country in which [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [is] [are] domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [respectively] [as the case may be].

## **[14.3 Further substitution**

[After a substitution pursuant to Condition 14.1, [either] [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholders, effect [each] a further substitution. All the provisions specified in Condition 14.1 and 14.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer [and] [or] [the Guarantor[s]] [, as the case may be,] shall, where the context so requires, be deemed to be or include references to any such further [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]].] [●]

## **[14.4 Reverse substitution**

[After a substitution pursuant to Condition 14.1 [or 14.3] any [either] [the Substitute Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholder, reverse the substitution[s], mutatis mutandis.] [●]

## **[14.][15.] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT**

### **[14.1][15.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except for the provisions of Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

### **[14.2][15.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta

shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*).

#### **[14.3][15.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, [and] (b) specifying the aggregate principal amount of the Notes[, and [●]]. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

#### **[15.][16.] DEFINITIONS**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

**Applicable Exchange Rate** has the meaning assigned to it in Clause 6.2.

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

**Business Day Financial Centre** means [●].

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

[**Call Redemption Amount** equals [the Principal Amount][●].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

**Code** has the meaning assigned to it in Clause 10.2.

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

[**CRR Instrument** means any capital instrument governed by the CRR regime.]

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year][the actual number of calendar days in the Calculation Period divided by 360][●].

**Distribution Agent[s]** means [Timberland Invest Ltd.] [and] [Timberland Capital Management GmbH] [and] [●].

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

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

**Early Redemption Amount** means [the Principal Amount][●].

**FATCA** has the meaning assigned to it in Clause 10.2.

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

**Issuer Register** has the meaning assigned to it in Clause 1.2(e).

**Maturity Date** has the meaning assigned to it in Clause 7.1.

**Noteholder** means each person holding one or more Note(s).

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

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [14.2][15.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

[**Put Redemption Amount(s)** means [●].]

[**Put Redemption Date(s)** means [●].]

**Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Register** has the meaning assigned to it in Clause 1.2(d).

**Registrar and Transfer Agent[s]** means [E-Stream Energy GmbH & Co KG] [and] [Alter Domus (Services) Malta Limited] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 14 (*Substitution of the Issuer*).]

[**Substitute Guarantor[s]** has the meaning assigned to it in Condition 14 (*Substitution of the Issuer and the Guarantor[s]*).]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## Option VIII – Terms and Conditions of the guaranteed Fixed Rate Registered Notes Issued in Dematerialised Form

### 1. CURRENCY, DENOMINATION, FORM, TITLE

#### 1.1 Currency, Denomination

This tranche of guaranteed fixed rate registered notes issued in dematerialised form (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

#### 1.2 Form

- (a) The Notes are being issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the Electronic register maintained on behalf of the Issuer at the CSD. The Notes may under no circumstances be converted into notes in bearer form. For as long as any of the securities issued by the company shall be and remain dematerialised under the Financial Markets Act (Cap 345 of the Laws of Malta) the terms and conditions relating to such securities including without prejudice to the generality of the foregoing, their issuance, transfer, exchange, redemption and or cancellation shall be governed in accordance with the applicable rules and procedures set out by the relevant central securities depository providing dematerialisation and any other provision shall apply only to the extent that it is not inconsistent with such rules and procedures.
- (b) Certificates will not be delivered to Noteholders.
- (c) The CSD will issue, upon a request by a Noteholder, a statement of holdings to such Noteholder evidencing his/her/its entitlement to the Notes held in the register kept by the CSD.

#### 1.3 Title

- (a) Ownership in respect of the Notes is established by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD (hereinafter, the **Electronic Register**). There will be entered in such Electronic Register the names, addresses, identity card numbers (in the case of natural persons) and registration numbers (in the case of companies) of the Noteholders, as well as particulars of the Notes held by them respectively. Noteholders shall have, at all reasonable times during business hours, access to the register of Noteholders held at the CSD for the purpose of inspecting information held on their respective account.
- (b) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, any person in whose name a Note is registered in the Electronic Register may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note and no person will be liable for so treating the Noteholder.
- (c) No transfer of a Note shall be recognised by the Issuer unless entered in the Electronic Register.

### 2. TRANSFERS

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the Note in the form satisfactory to the Registrar and Transfer Agent, the Issuer and/or the CSD, together with a copy of the passport or ID card

of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent, the Issuer and/or the CSD may reasonably require.

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

### 3. CLOSED PERIODS

No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the Notes under Clause 7.2, to register the transfer of these Notes (or parts of these Notes) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. STATUS AND GUARANTEE

The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.

Timberland Securities Investment plc (the **Guarantor**) has given its unconditional and irrevocable guarantee (the **Guarantee**) dated 26 June 2019 for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note in a total amount of up to [the aggregate principal amount of the Notes][*insert specified currency*] [●] The Guarantee constitute a contract for the benefit of the Noteholders from time to time as third party beneficiaries in accordance with section 328 subparagraph 1 German Civil Code (*Bürgerliches Gesetzbuch*), giving rise to the right of each Noteholder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

### 5. DISTRIBUTIONS

#### 5.1 Distribution Rate and Distribution Payment Dates

The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid [[●], [annually]][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 6.4.

#### 5.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the Rate of Distributions to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

#### 5.3 Default Distributions

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due

date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## **6. PAYMENTS**

### **6.1 Payment of Principal and Distributions**

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder communicated to the Issuer [in the application form].

### **6.2 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

### **6.3 Discharge**

The Issuer and the Guarantor shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Electronic Register.

### **6.4 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions, or the Guarantee, to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## 7. REDEMPTION

### 7.1 Maturity Date

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the **Maturity Date**).]

### 7.2 [No] Early Redemption at the Option of a Noteholder

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

[

(m) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert:* The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 7.]

(n) In order to exercise such option, the Noteholder must, not less than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days][[*in case of perpetual Notes insert minimum number of notice years*] years] nor more than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days] [*in case of perpetual Notes insert minimum number of years*] years] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] [[*in case of non-perpetual Notes insert minimum period of notice to Issuer*] [Payment Business Day][[*in case of perpetual Notes insert minimum period of notice to Issuer in years*] year] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English][German] language and includes further information. No option so exercised may be revoked or withdrawn.

]

### 7.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:

(i) the series number of the Notes;

(ii) the Call Redemption Date which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert: nor more than [insert number of days]*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders; and

(iii) the Call Redemption Amount at which the Notes are to be redeemed.

[*in case the Notes are subject to the Early Redemption at the Option of a Noteholder, insert:*

(c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.

]]

[

#### **7.4 [No] Redemption for Reasons of Taxation**

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[

(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer, or the Guarantor, is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, or the Guarantor, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer, or the Guarantor, would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer, or the Guarantor, so to redeem.]

#### **8. EVENTS OF DEFAULT**

(a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer, or the Guarantor, fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or

(ii) the Issuer, or the Guarantor, fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of

remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or

- (iii) the Issuer, or the Guarantor, suspends payment or announces its inability to pay its debts; or
- (iv) a court institutes insolvency proceedings against the Issuer, or the Guarantor, and such proceedings are not set aside or stayed within 60 days, or the Issuer, or the Guarantor, or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or
- (v) the Issuer, or the Guarantor, goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer, or the Guarantor, in connection with the Notes, or the Guarantee;
- (vi) the Guarantee ceases to be legally valid and binding or the Guarantor fails to fulfil its obligations under the Guarantee.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) Any notice, including any notice declaring Notes due, in accordance with subparagraph 8(a) shall be made by means of a written declaration in the [English][German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **9. FISCAL AGENT, REGISTRAR AND TRANSFER AGENT, DISTRIBUTION AGENT**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] and their respective initial specified offices are:

#### **Fiscal Agent**

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

#### **Registrar and Transfer Agent[s]:**

[Malta Stock Exchange  
Garrison Chapel  
Castille Place  
Valletta, VLT 1063  
Malta]

[•]

### **Distribution Agent[s]:**

[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Timberland Capital Management GmbH  
Hüttenallee 137  
47800 Krefeld  
Germany]

[•]

The Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city] [in [*insert city*]]. Each of the Fiscal Agent, 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.

## **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent, provided that the Issuer will at all times maintain a Fiscal Agent, 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 Noteholders in accordance with Clause 12.

## **9.3 Agents of the Issuer**

Each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

# **10. TAXATION**

## **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (o) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (p) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the

Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

- (q) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (r) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

## **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **11.3 Cancellation**

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

## **12. NOTICES**

### **12.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication

(or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

## 12.2 Form of Notice to be given by any Noteholder

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail [or *[insert other means of communication]*].

## 13. MEETINGS OF NOTEHOLDERS

Articles 470-3 - 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## 14. SUBSTITUTION OF THE ISSUER [AND THE GUARANTOR[S]]

### 14.1 Substitution

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Guarantor[s]] [as the case may be] shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as [the Issuer] [or] [as [the] [a] Guarantor[s]] [as the case may be] [an]other person[s] [each] [(the **Substitute Issuer**) as principle debtor] [and] [or] [(**the Substitute Guarantor[s]**)] as Guarantor[s]] under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution[s] and in the opinion of [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] [●], of at least the equivalent standing and creditworthiness to [either] [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] provided that:

- (i) [either] [the Substitute Issuer] [and] [or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] is [are] solvent and can perform all obligations under and in connection with the Notes;
- (j) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of [either] [the Substitute Issuer] [and] [or] [the Substitute Guarantor[s]] [as the case may be];
- (k) [either] [the Substitute Issuer] [and] [or] [[each of] the Substitute Guarantor[s]] [as the case may be] [has] [have] been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (l) the substitution[s] of [the Substitute Issuer for the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s] for the Guarantor] [as the case may be] does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders or [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [●] [as the case may be] [has] [have] agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

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

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] will not guarantee the obligations of [the Substitute Issuer] [and][or] [[each of] [any of] the

Substitute Guarantor[s]] [as the case may be] under the Notes after the substitution[s]. The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution[s] [either] [of the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] effected in accordance with this Condition 14 and to the release [either] [of the Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution[s] and the consequences thereof.] [●]

[After the substitution[s] of [either] [the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] by [a Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] this Condition 14 shall apply again. In the event of such a substitution[s], every reference in these Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [●]].

## **14.2 Change of References**

In the event of any such substitution[s], any reference in these Terms and Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall from then on be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] and any reference to the country in which [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [is] [are] domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [respectively] [as the case may be].

## **[14.3 Further substitution**

[After a substitution pursuant to Condition 14.1, [either] [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholders, effect [each] a further substitution. All the provisions specified in Condition 14.1 and 14.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer [and] [or] [the Guarantor[s]] [, as the case may be,] shall, where the context so requires, be deemed to be or include references to any such further [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]].] [●]]

## **[14.4 Reverse substitution**

[After a substitution pursuant to Condition 14.1 [or 14.3] any [either] [the Substitute Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholder, reverse the substitution[s], mutatis mutandis.] [●]]

## **[14.][15.] GENERAL**

For as long as the Notes remain in dematerialised form, these terms and conditions, including the terms applicable to issuance, transfer, exchange, redemption and/or cancellation of the Notes shall be subject to the applicable rules and procedures set out by CSD (the **CSD Rules**) and in the event of inconsistency between these terms and conditions and the CSD Rules, the CSD Rules shall prevail. Any amendment, variation or deletion of this clause shall be subject to the express written approval of the CSD to be obtained prior to the approval of the Noteholders.

## **[15.][16.] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT**

### **[15.1][16.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except

for the provisions of Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

#### **[15.2][16.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*).

#### **[15.3][16.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, [and] (b) specifying the aggregate principal amount of the Notes[, and [●]]. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

#### **[16.][17.] DEFINITIONS**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

**Applicable Exchange Rate** has the meaning assigned to it in Clause 6.2.

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

**Business Day Financial Centre** means [●].

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

[**Call Redemption Amount** equals [the Principal Amount][●].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

**Code** has the meaning assigned to it in Clause 10.2.

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

[**CRR Instrument** means any capital instrument governed by the CRR regime.]

**CSD** means the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta.

**CSD Rules** has the meaning assigned to it in Clause 10.2.

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the CSD.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year][the actual number of calendar days in the Calculation Period divided by 360][●].

**Distribution Agent[s]** means [Timberland Invest Ltd.] [and] [Timberland Capital Management GmbH] [and] [●].

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

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

**Early Redemption Amount** means [the Principal Amount][●].

**Electronic Register** has the meaning assigned to it in Clause 1.3.

**FATCA** has the meaning assigned to it in Clause 10.2.

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

**Maturity Date** has the meaning assigned to it in Clause 7.1.

**Noteholder** means each person holding one or more Note(s).

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

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System or its successor is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [15.2][16.2].

[Put Notice has the meaning assigned to it in Clause 7.2(c).]

[Put Redemption Amount(s) means [●].]

[Put Redemption Date(s) means [●].]

**Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Registrar and Transfer Agent[s]** means [Malta Stock Exchange] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[Substitute Issuer has the meaning assigned to it in Condition 14 (*Substitution of the Issuer*).]

[Substitute Guarantor[s] has the meaning assigned to it in Condition 14 (*Substitution of the Issuer and the Guarantor[s]*).]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## Option IX – Terms and Conditions of the guaranteed Fixed Rate Registered Notes II Issued in Dematerialised Form

### 1. CURRENCY, DENOMINATION, FORM, TITLE

#### 1.1 Currency, Denomination

This tranche of guaranteed fixed rate registered notes II issued in dematerialised form (the **Notes**) is being issued by E-Stream Energy GmbH & Co KG (the **Issuer**) in [Euro (**EUR**)] [British Pound (**GBP**)] [Swiss Franc (**CHF**)] [US Dollar (**USD**)] [Hungarian Forint (**HUF**)] [Polish Złoty (**PLN**)] [Czech Koruna (**CZK**)] [Croatian Kuna (**HRK**)] [●] (the **Specified Currency**) in the aggregate principal amount of [●] (in words: [●]) in the denomination of EUR 1,000 (or the equivalent in other currencies) (the **Specified Denomination** or the **Principal Amount**).

#### 1.2 Form

- (a) The Notes are being issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the Electronic register maintained on behalf of the Issuer at the CSD. The Notes may under no circumstances be converted into notes in bearer form. For as long as any of the securities issued by the company shall be and remain dematerialised under the Financial Markets Act (Cap 345 of the Laws of Malta) the terms and conditions relating to such securities including without prejudice to the generality of the foregoing, their issuance, transfer, exchange, redemption and or cancellation shall be governed in accordance with the applicable rules and procedures set out by the relevant central securities depository providing dematerialisation and any other provision shall apply only to the extent that it is not inconsistent with such rules and procedures.
- (b) Certificates will not be delivered to Noteholders.
- (c) The CSD will issue, upon a request by a Noteholder, a statement of holdings to such Noteholder evidencing his/her/its entitlement to the Notes held in the register kept by the CSD.

#### 1.3 Title

- (a) Ownership in respect of the Notes is established by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD (hereinafter, the **Electronic Register**). There will be entered in such Electronic Register the names, addresses, identity card numbers (in the case of natural persons) and registration numbers (in the case of companies) of the Noteholders, as well as particulars of the Notes held by them respectively. Noteholders shall have, at all reasonable times during business hours, access to the register of Noteholders held at the CSD for the purpose of inspecting information held on their respective account.
- (b) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, any person in whose name a Note is registered in the Electronic Register may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note and no person will be liable for so treating the Noteholder.
- (c) No transfer of a Note shall be recognised by the Issuer unless entered in the Electronic Register.

### 2. TRANSFERS

- (a) A Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the Note in the form satisfactory to the Registrar and Transfer Agent, the Issuer and/or the CSD, together with a copy of the passport or ID card

of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent, the Issuer and/or the CSD may reasonably require.

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

### 3. CLOSED PERIODS

No Noteholder may require the transfer of a Note to be registered (i) after an event of default notice has been issued pursuant to Clause 8(b) or (ii) during the period of [15][●] calendar days ending on the due date for any payment in respect of that Note. [Furthermore, the Issuer shall not be required, in the event of an early redemption of the Notes under Clause 7.2, to register the transfer of these Notes (or parts of these Notes) during the period beginning on the [twenty-fifth (25<sup>th</sup>)] [●] calendar day before the Put Redemption Date and ending on the Put Redemption Date (both inclusive).]

### 4. STATUS AND GUARANTEE

The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all other, present and future, unsecured and unsubordinated obligations of the Issuer, unless such obligations are given priority under mandatory provisions of statutory law.

Timberland Securities Investment plc (the **Guarantor**) has given its unconditional and irrevocable guarantee (the **Guarantee**) dated 27 June 2019 for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note in a total amount of up to [the aggregate principal amount of the Notes][*insert specified currency*] [●] The Guarantee constitute a contract for the benefit of the Noteholders from time to time as third party beneficiaries in accordance with section 328 subparagraph 1 German Civil Code (*Bürgerliches Gesetzbuch*), giving rise to the right of each Noteholder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.

### 5. DISTRIBUTIONS

#### 5.1 Distribution Rate and Distribution Payment Dates

The Notes shall bear distributions on the Principal Amount at the rate of [●] per cent. per annum (the **Rate of Distributions**) (and with respect to each Calculation Period) from and including [●] (the **Distribution Commencement Date**) to and excluding the Maturity Date. Distributions shall be scheduled to be paid [[●], [annually]][semi-annually][quarterly][●] in arrears on [●] in each year (each such date, a **Distribution Payment Date**), commencing on [●]. Distributions will fall due in accordance with the provisions set out in Clause 6.4.

#### 5.2 Calculation of Amount of Distributions

The amount of distributions shall be calculated by applying the Rate of Distributions to the Principal Amount multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

#### 5.3 Default Distributions

The Notes shall cease to bear distributions from the expiry of the calendar day preceding the due date for redemption (if the Notes are redeemed). If the Issuer fails to redeem the Notes when due, distributions shall continue to accrue on the Principal Amount of the Notes from and including the due

date for redemption to but excluding the date of actual redemption of the Notes at the default rate of distributions established by law. This does not affect any additional rights that might be available to the Noteholders.

## **6. PAYMENTS**

### **6.1 Payment of Principal and Distributions**

Payment of principal and distributions on the Notes shall be made, subject to Clause 6.2 below, by credit or transfer to in the Specified Currency in the account of the relevant Noteholder communicated to the Issuer [in the application form].

### **6.2 Manner of Payment**

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the **Successor Currency**) is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Noteholders shall not be entitled to further interest or any additional amounts as a result of such payment. The **Applicable Exchange Rate** shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

### **6.3 Discharge**

The Issuer and the Guarantor shall be discharged by payment to the account of the relevant Noteholder which is recorded in the Electronic Register.

### **6.4 Payment Business Day**

If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day, the Noteholders shall not be entitled to payment until the next following Payment Business Day in the relevant place and shall not be entitled to further distributions or other payment in respect of such delay.

### **6.5 References to Principal and Distributions**

References in these Terms and Conditions, or the Guarantee, to "principal" in respect of the Notes shall be deemed to include, as applicable: the Principal Amount[, the Call Redemption Amount][, the Put Redemption Amount], the Early Redemption Amount, and any premium and any other amounts (other than distributions) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "distributions" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under Clause 10.1.

## 7. REDEMPTION

### 7.1 Maturity Date

[The Notes are perpetual and have no scheduled maturity date.][Unless previously redeemed, or cancelled, the Notes will be redeemed at their Principal Amount together with distributions, if any, accrued to, but excluding, the date of redemption, on [●] (the **Maturity Date**).]

### 7.2 [No] Early Redemption at the Option of a Noteholder

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

[

(s) The Issuer shall, at the option of a Noteholder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) together with accrued distributions, if any, to (but excluding) the Put Redemption Date. [*in case of the Early Redemption for Reasons of Taxation, or if the Notes are subject to the Early Redemption at the Option of the Issuer for other than tax reasons, insert:* The Noteholder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of any of its options to redeem such Note under Clause 7.]

(t) In order to exercise such option, the Noteholder must, not less than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days][[*in case of perpetual Notes insert minimum number of notice years*] years] nor more than [[*in case of non-perpetual Notes insert minimum number of days*] Payment Business Days] [*in case of perpetual Notes insert minimum number of years*] years] before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice, send to the specified office of the Fiscal Agent an early redemption notice in written form (the **Put Notice**). In the event that the Put Notice is received after 5:00 p.m. [●] time on the [●] [[*in case of non-perpetual Notes insert minimum period of notice to Issuer*] [Payment Business Day][[*in case of perpetual Notes insert minimum period of notice to Issuer in years*] year] before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the International Security Code of such Notes, if any. The Put Notice may be in the form available from the specified offices of the Fiscal Agent in the [English][German] language and includes further information. No option so exercised may be revoked or withdrawn.

]

### 7.3 [No] Early Redemption at the Option of the Issuer

[The Issuer does not have a right to demand the redemption of the Notes.]

[

(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem the Notes in whole, but not in part, on the Call Redemption Date(s) at the applicable Call Redemption Amount together with accrued distributions, if any, to, but excluding, the (relevant) Call Redemption Date.

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with Clause 12. Such notice shall be irrevocable and shall specify:

(i) the series number of the Notes;

(ii) the Call Redemption Date which shall be not less than [*insert minimum notice period, which shall not be less than five Payment Business Days: [insert number of days]*] Payment Business Days [*in case of a maximum notice period insert: nor more than [insert number of days]*] Payment Business Days after the calendar day on which notice is given by the Issuer to the Noteholders; and

(iii) the Call Redemption Amount at which the Notes are to be redeemed.

[*in case the Notes are subject to the Early Redemption at the Option of a Noteholder, insert:*

(c) The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Clause 7.2.

]]

[

#### **7.4 [No] Redemption for Reasons of Taxation**

[The Issuer does not have a right to demand the redemption of the Notes for reasons of taxation.]

[

(a) If as a result of any change in, or amendment to, the laws or regulations of Malta or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of the Notes was issued, the Issuer, or the Guarantor, is required to pay Additional Amounts under Clause 10.1 on the next succeeding Distribution Payment Date, and if this obligation cannot be avoided by the use of reasonable measures available to the Issuer, or the Guarantor, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not less than 60 calendar days' prior notice of redemption given to the Fiscal Agent and, in accordance with Clause 10 to the Noteholders, at their Principal Amount, together with distributions, if any, accrued to, but excluding, the date of redemption. However, no such notice of redemption may be given (i) earlier than 90 calendar days prior to the earliest date on which the Issuer, or the Guarantor, would be obligated to pay such Additional Amounts were a payment in respect of the Notes then to be due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

(b) Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer, or the Guarantor, so to redeem.]

#### **8. EVENTS OF DEFAULT**

(a) Each Noteholder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount, together with distributions, if any, accrued to, but excluding, the date of redemption, in the event that:

(i) the Issuer, or the Guarantor, fails to pay any amount due under the Notes within 30 calendar days from the relevant due date; or

(ii) the Issuer, or the Guarantor, fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of

remedy, such failure continues for more than 30 calendar days after the Fiscal Agent has received notice thereof from a Noteholder; or

- (iii) the Issuer, or the Guarantor, suspends payment or announces its inability to pay its debts; or
- (iv) a court institutes insolvency proceedings against the Issuer, or the Guarantor, and such proceedings are not set aside or stayed within 60 days, or the Issuer, or the Guarantor, or the competent supervisory authority, or resolution authority, respectively, applies for or institutes any such proceedings; or
- (v) the Issuer, or the Guarantor, goes into liquidation unless this is done in connection with a merger, consolidation or other form of combination with another company or in connection with a conversion and the other or new company assumes all obligations contracted by the Issuer, or the Guarantor, in connection with the Notes, or the Guarantee;
- (vi) the Guarantee ceases to be legally valid and binding or the Guarantor fails to fulfil its obligations under the Guarantee.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (b) Any notice, including any notice declaring Notes due, in accordance with subparagraph 8(a) shall be made by means of a written declaration in the [English][German] language and sent to the specified office of the Fiscal Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian or in other appropriate manner. The Notes shall be redeemed following receipt of the notice declaring Notes due.

## **9. FISCAL AGENT, REGISTRAR AND TRANSFER AGENT, DISTRIBUTION AGENT**

### **9.1 Appointment, Specified Offices**

The initial Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] and their respective initial specified offices are:

#### **Fiscal Agent**

Initial Fiscal Agent:  
[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[•]

#### **Registrar and Transfer Agent[s]:**

[Malta Stock Exchange  
Garrison Chapel  
Castille Place  
Valletta, VLT 1063  
Malta]

[•]

### **Distribution Agent[s]:**

[Timberland Invest Ltd.  
171, Old Bakery Street  
Valletta VLT 1455  
Malta]

[Timberland Capital Management GmbH  
Hüttenallee 137  
47800 Krefeld  
Germany]

[•]

The Fiscal Agent, the Registrar and Transfer Agent[s], and the Distribution Agent[s] reserve the right at any time to change their respective specified office to some other specified office [in the same city] [in [*insert city*]]. Each of the Fiscal Agent, 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.

## **9.2 Variation or Termination of Appointment**

The Issuer reserves the right at any time, without the prior approval of the Noteholders, to vary or terminate the appointment of each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent, provided that the Issuer will at all times maintain a Fiscal Agent, 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 Noteholders in accordance with Clause 12.

## **9.3 Agents of the Issuer**

Each of the Fiscal Agent, the Registrar and Transfer Agent, and the Distribution Agent acts solely as agents of the Issuer and does not have any obligations towards or relationship of agency or trust to any Noteholder.

# **10. TAXATION**

## **10.1 Withholding Taxes and Additional Amounts**

All amounts payable in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed or levied by way of deduction or withholding by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax (**Withholding Taxes**) unless such deduction or withholding is required by law. In such event, the Issuer shall, to the fullest extent permitted by law, pay such additional amounts of principal and interest (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes, duties or governmental charges which:

- (u) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it; or
- (v) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the

Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or

- (w) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta, or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- (x) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with Clause 12, whichever occurs later.

## **10.2 U.S. Foreign Account Tax Compliance Act (FATCA)**

Moreover, all amounts payable in respect of the Notes shall be made subject to compliance with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **Code**), any regulations or agreements thereunder, including any agreement pursuant to section 1471(b) of the Code, and official interpretations thereof (**FATCA**) and any law implementing an intergovernmental approach to FATCA. The Issuer will have no obligation to pay additional amounts or otherwise indemnify a Noteholder in connection with any such compliance.

## **10.3 Transfer of Issuer's domicile**

In case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to the Issuer's domicile shall from then on be deemed to refer to such other country, territory or jurisdiction.

## **11. FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION**

### **11.1 Further Issues of Notes**

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same terms as the Notes in all respects (or in all respects except for the issue date, issue price, Distribution Commencement Date and/or first Distribution Payment Date) so as to form a single series with the Notes.

### **11.2 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Fiscal Agent for cancellation. No purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed.

### **11.3 Cancellation**

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

## **12. NOTICES**

### **12.1 Notices of the Issuer**

All notices of the Issuer concerning the Notes shall be published in [●] and in electronic form on the website of the Issuer [(www.estream-energy.com)][*insert any other website*] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. Any notice so given will be deemed to have been validly given on the 5<sup>th</sup> calendar day following the date of such publication

(or, if published more than once, on the 5<sup>th</sup> calendar day following the date of the first such publication) unless the notice provides for a later effective date.

## 12.2 Form of Notice to be given by any Noteholder

Notices regarding the Notes which are to be given by any Noteholder to the Issuer shall be validly given if delivered in writing in [English][German] language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) by hand or mail [or *[insert other means of communication]*].

## 13. MEETINGS OF NOTEHOLDERS

Articles 470-3 - 470-19 of the Companies Act 1915 are not applicable to the Notes.

The Base Prospectus in respect of the Notes contains detailed provisions for convening (i) meetings of the Noteholders and (ii) joint meetings of holders of more than one series of notes issued by the Issuer (including, where applicable, the Notes).

## [14. SUBSTITUTION OF THE ISSUER [AND THE GUARANTOR[S]]

### 14.1 Substitution

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Guarantor[s]] [as the case may be] shall be entitled at any time, without the consent of the Noteholders, if no payment of principal of any of the Notes is in default, to substitute for itself as [the Issuer] [or] [as [the] [a] Guarantor[s]] [as the case may be] [an]other person[s] [each] [(the **Substitute Issuer**) as principle debtor] [and] [or] [(**the Substitute Guarantor[s]**)] as Guarantor[s]] under all Notes in respect of any and all obligations arising from and in connection with the Notes, which is, on the date of such substitution[s] and in the opinion of [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] [●], of at least the equivalent standing and creditworthiness to [either] [the Issuer] [and] [or] [[each of] [any of] the Guarantor[s]] [, as the case may be,] provided that:

- (a) [either] [the Substitute Issuer] [and] [or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] is [are] solvent and can perform all obligations under and in connection with the Notes;
- (b) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of [either] [the Substitute Issuer] [and] [or] [the Substitute Guarantor[s]] [as the case may be];
- (c) [either] [the Substitute Issuer] [and] [or] [[each of] the Substitute Guarantor[s]] [as the case may be] [has] [have] been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Notes) from the authorities of the country in which it has its registered office;
- (d) the substitution[s] of [the Substitute Issuer for the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s] for the Guarantor] [as the case may be] does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Noteholders or [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [●] [as the case may be] [has] [have] agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution.] [●]

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

[[Either] [The] [the] [Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] will not guarantee the obligations of [the Substitute Issuer] [and][or] [[each of] [any of] the

Substitute Guarantor[s]] [as the case may be] under the Notes after the substitution[s]. The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution[s] [either] [of the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] effected in accordance with this Condition 14 and to the release [either] [of the Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution[s] and the consequences thereof.] [●]

[After the substitution[s] of [either] [the Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] by [a Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] this Condition 14 shall apply again. In the event of such a substitution[s], every reference in these Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [●].

## **14.2 Change of References**

In the event of any such substitution[s], any reference in these Terms and Conditions to [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] shall from then on be deemed to refer to [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] and any reference to the country in which [either] [the Issuer] [and][or] [the Substitute Guarantor[s]] [as the case may be] [is] [are] domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]] [respectively] [as the case may be].

## **[14.3 Further substitution**

[After a substitution pursuant to Condition 14.1, [either] [the Substitute Issuer] [and][or] [[each of] [any of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholders, effect [each] a further substitution. All the provisions specified in Condition 14.1 and 14.2 shall apply mutatis mutandis, and references in these Conditions to the Issuer [and] [or] [the Guarantor[s]] [, as the case may be,] shall, where the context so requires, be deemed to be or include references to any such further [either] [the Substitute Issuer] [and][or] [the Substitute Guarantor[s]].] [●]

## **[14.4 Reverse substitution**

[After a substitution pursuant to Condition 14.1 [or 14.3] any [either] [the Substitute Issuer] [and][or] [[each of] [any of] [all of] the Substitute Guarantor[s]] [as the case may be] may, without the consent of any Noteholder, reverse the substitution[s], mutatis mutandis.] [●]

## **[14.][15.] GENERAL**

For as long as the Notes remain in dematerialised form, these terms and conditions, including the terms applicable to issuance, transfer, exchange, redemption and/or cancellation of the Notes shall be subject to the applicable rules and procedures set out by CSD (the **CSD Rules**) and in the event of inconsistency between these terms and conditions and the CSD Rules, the CSD Rules shall prevail. Any amendment, variation or deletion of this clause shall be subject to the express written approval of the CSD to be obtained prior to the approval of the Noteholders.

## **[15.][16.] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT**

### **[15.1][16.1] Governing Law**

The Notes, as to form and content, and all rights and obligations of the Noteholders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, Luxembourg law except

for the provisions of Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*) which shall be subject to the laws of Germany.

#### **[15.2][16.2] Place of Jurisdiction**

The courts of Luxembourg shall have non-exclusive jurisdiction for any action or other legal proceedings (the **Proceedings**) arising out of or in connection with the Notes. The courts of Malta shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with Clause 4 (*Ranking*) and Clause 13 (*Meetings of Noteholders*).

#### **[15.3][16.3] Enforcement**

Any Noteholder may in any Proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes (a) stating the full name and address of the Noteholder, [and] (b) specifying the aggregate principal amount of the Notes[, and [●]]. Each Noteholder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.

#### **[16.][17.] DEFINITIONS**

For the purposes of the Notes, the following expressions shall have the following meanings:

**Additional Amounts** has the meaning assigned to it in Clause 10.1.

**Applicable Exchange Rate** has the meaning assigned to it in Clause 6.2.

**Articles 470-3 - 470-19 of the Companies Act 1915** has the meaning assigned to it in the Luxembourg Law of 10 August 1915 on Commercial Companies as amended (and as consolidated resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette of the Grand Duchy of Luxembourg).

**Business Day Financial Centre** means [●].

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

[**Call Redemption Amount** equals [the Principal Amount][●].]

[**Call Redemption Date** means the Distribution Commencement Date and each [anniversary date thereof][Distribution Payment Date thereafter].]

**Code** has the meaning assigned to it in Clause 10.2.

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

[**CRR Instrument** means any capital instrument governed by the CRR regime.]

**CSD** means the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta.

**CSD Rules** has the meaning assigned to it in Clause 10.2.

**Custodian** means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the CSD.

**Day Count Fraction** means [the actual number of calendar days in the Calculation Period divided by the actual number of calendar days in the respective interest year][the actual number of calendar days in the Calculation Period divided by 360][●].

**Distribution Agent[s]** means [Timberland Invest Ltd.] [and] [Timberland Capital Management GmbH] [and] [●].

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

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

**Early Redemption Amount** means [the Principal Amount][●].

**Electronic Register** has the meaning assigned to it in Clause 1.3.

**FATCA** has the meaning assigned to it in Clause 10.2.

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

**Maturity Date** has the meaning assigned to it in Clause 7.1.

**Noteholder** means each person holding one or more Note(s).

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

**Payment Business Day** means a calendar day (other than a Saturday or a Sunday) (i) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Day Financial Centre, and (ii) on which the TARGET2 System or its successor is open for business.

**Principal Amount** has the meaning assigned to it in Clause 1.1.

**Proceedings** has the meaning assigned to it in Clause [15.2][16.2].

[**Put Notice** has the meaning assigned to it in Clause 7.2(c).]

[**Put Redemption Amount(s)** means [●].]

[**Put Redemption Date(s)** means [●].]

**Rate of Distributions** has the meaning assigned to it in Clause 5.1.

**Registrar and Transfer Agent[s]** means [Malta Stock Exchange] [and] [●].

**Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Noteholder in accordance with Clause 6.1 on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Clause 12.

**Specified Currency** has the meaning assigned to it in Clause 1.1.

**Specified Denomination** has the meaning assigned to it in Clause 1.1.

[**Substitute Issuer** has the meaning assigned to it in Condition 14 (*Substitution of the Issuer*).]

[**Substitute Guarantor[s]** has the meaning assigned to it in Condition 14 (*Substitution of the Issuer and the Guarantor[s]*).]

**Successor Currency** has the meaning assigned to it in Clause 6.2.

**TARGET2 System** means the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor (**TARGET**).

**Withholding Taxes** has the meaning assigned to it in Clause 10.1.

## NOTEHOLDER MEETING PROVISIONS

### 1. DEFINITIONS

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

*[in the case of bearer Notes, the following applies:*

**voting certificate** means an [English][●] language certificate issued by the Paying Agent and dated in which it is stated that the bearer of the voting certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the Notes represented by the certificate;

**block voting instruction** means an [English][●] language document issued by the Paying Agent and dated which:

- (a) relates to a specified nominal amount of Notes and a meeting (or adjourned meeting) of the holders of the series of which those Notes form part;
- (b) states that the Paying Agent has been instructed (either by the holders of the Notes or by a relevant clearing system) to attend the meeting and procure that the votes attributable to the Notes are cast at the meeting in accordance with the instructions given;
- (c) identifies with regard to each resolution to be proposed at the meeting the nominal amount of Notes in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and the nominal amount of Notes in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and
- (d) states that one or more named persons (each a proxy) is or are authorised and instructed by the Paying Agent to cast the votes attributable to the Notes identified in accordance with the instructions referred to in (c) as set out in the block voting instruction;

**a relevant clearing system** means, in respect of any Notes represented by a Global Note, any clearing system on behalf of which the Global Note is held or which is the bearer of the Global Note, in either case whether alone or jointly with any other clearing system(s);]

**24 hours** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where the meeting is to be held and in the place where the *[in the case of bearer Notes, the following applies: Paying Agent] [and][or] [in the case of registered Notes, the following applies: Registrar and Transfer Agent]* has its specified office (disregarding for this purpose the day on which the meeting is to be held); and

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

References in this section to the Notes are to the series of *[in the case of bearer Notes, the following applies: bearer] [and][or] [in the case of registered Notes, the following applies: registered]* Notes in respect of which the meeting is, or is proposed to be, convened. References in this section to the Notes are to the series of *[in the case of bearer Notes, the following applies: bearer] [or] [in the case of registered Notes, the following applies: registered]* Notes [, or to the series of bearer Notes and series the registered Notes collectively] in respect of which the meeting is, or is proposed to be, convened and references to the Noteholders shall be construed accordingly.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

## **2. EVIDENCE OF ENTITLEMENT TO ATTEND AND VOTE**

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

*[in the case of bearer Notes, the following applies:*

- (a) a holder of any Notes in definitive bearer form;
- (b) a bearer of any voting certificate in respect of the Notes;
- (c) a proxy specified in any block voting instruction.]

*[in the case of registered Notes, the following applies:*

- [(a)][(d)] a holder of a registered Note; and
- [(b)][(e)] a proxy appointed by a holder of a registered Note.]

*[In the case of bearer Notes, the following applies:* A Noteholder may require the issue by the Paying Agent of voting certificates and block voting instructions in accordance with the terms of subclauses 2.2 to 2.5.

For the purposes of subclauses 2.2 and 2.5, the Paying Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a relevant clearing system and shall have no liability to any Noteholder or other person for any loss, damage, cost, claim or other liability caused by its reliance on those instructions, nor for any failure by a relevant clearing system to deliver information or instructions to the Paying Agent.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the Notes to which the voting certificate or block voting instruction relates and the Paying Agent with which the Notes have been deposited or the person holding the Notes to the order or under the control of any Paying Agent shall be deemed for those purposes not to be the holder of those Notes.

### **2.2 Definitive bearer Notes – voting certificate**

A holder of a Note in definitive form may obtain a voting certificate in respect of that Note from the Paying Agent (unless the Note is the subject of a block voting instruction which has been issued and is outstanding in respect of the meeting specified in the voting certificate or any adjourned meeting) subject to the holder procuring that the Note is deposited with the Paying Agent or (to the satisfaction of the Paying Agent) is held to its order or under its control or blocked in an account with a relevant clearing system upon terms that the Note will not cease to be deposited or held or blocked until the first to occur of:

- (a) the conclusion of the meeting specified in the voting certificate or, if later, of any adjourned meeting; and
- (b) the surrender of the voting certificate to the Paying Agent who issued it.

### **2.3 Global Notes – voting certificate**

A holder of a Note (not being a Note in respect of which instructions have been given to the Paying Agent in accordance with subclause 2.5) represented by a Global Note may procure the delivery of a

voting certificate in respect of that Note by giving notice to the relevant clearing system specifying by name a person (an **Identified Person**) (which need not be the holder himself) to collect the voting certificate and attend and vote at the meeting. The voting certificate will be made available at or shortly before the start of the meeting by the Paying Agent against presentation by the Identified Person of the form of identification previously notified by the holder to the relevant clearing system. The relevant clearing system may prescribe forms of identification (including, without limitation, passports) which it considers appropriate for these purposes. Subject to receipt by the Paying Agent from the relevant clearing system, no later than 48 hours before the time for which the meeting is convened, of notification of the nominal amount of the Notes to be represented by any voting certificate and the form of identification against presentation of which the voting certificate should be released, the Paying Agent shall, without any obligation to make further enquiry, make available voting certificates against presentation of forms of identification corresponding to those notified.

#### **2.4 Definitive bearer Notes – block voting instruction**

A holder of a Note in definitive form may require the Paying Agent to issue a block voting instruction in respect of that Note (unless the Note is the subject of a voting certificate which has been issued and is outstanding in respect of the meeting specified in the block voting instruction or any adjourned meeting) by depositing the Note with the Paying Agent or (to the satisfaction of the Paying Agent) by:

- (a) procuring that, not less than 48 hours before the time fixed for the meeting, the Note is held to the Paying Agent's order or under its control or is blocked in an account with a relevant clearing system, in each case on terms that the Note will not cease to be so deposited or held or blocked until the first to occur of:
  - (i) the conclusion of the meeting specified in the block voting instruction or, if later, of any adjourned meeting; and
  - (ii) the surrender to the Paying Agent, not less than 48 hours before the time for which the meeting or any adjourned meeting is convened, of the receipt issued by the Paying Agent in respect of each deposited Note which is to be released or (as the case may require) the Note ceasing with the agreement of the Paying Agent to be held to its order or under its control or to be blocked and the giving of notice by the Paying Agent to the Issuer in accordance with subclause 2.5 of the necessary amendment to the block voting instruction; and
- (b) instructing the Paying Agent that the vote(s) attributable to each Note so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to the meeting or any adjourned meeting and that the instruction is, during the period commencing 48 hours before the time for which the meeting or any adjourned meeting is convened and ending at the conclusion or adjournment of the meeting, neither revocable nor capable of amendment.

#### **2.5 Global Notes - block voting instruction**

- (a) A holder of a Note (not being a Note in respect of which a voting certificate has been issued) represented by a Global Note may require the Paying Agent to issue a block voting instruction in respect of the Note by first instructing the relevant clearing system to procure that the votes attributable to the holder's Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the relevant clearing system then in effect. Subject to receipt by the Paying Agent, no later than 48 hours before the time for which the meeting is convened, of (i) instructions from the relevant clearing system, (ii) notification of the nominal amount of the Notes in respect of which instructions have been given and (iii) the manner in which the votes attributable to the Notes should be cast, the Paying Agent shall, without any obligation to make further enquiry, attend the meeting and cast votes in accordance with those instructions.

- (b) Each block voting instruction shall be deposited by the relevant Paying Agent at the place specified by the Paying Agent for the purpose not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote, and in default the block voting instruction shall not be treated as valid unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business. A certified copy of each block voting instruction shall (if so requested by the Issuer) be deposited with the Issuer before the start of the meeting or adjourned meeting but the Issuer shall not as a result be obliged to investigate or be concerned with the validity of or the authority of the proxies named in the block voting instruction.
- (c) Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the instructions of the relevant Noteholder or the relevant clearing system (as the case may be) pursuant to which it was executed provided that no indication in writing of any revocation or amendment has been received from the relevant Paying Agent by the Issuer at its registered office by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.]

*[in the case of registered Notes, the following applies:*

**[2.2][2.6] Registered Notes - appointment of proxy**

- (a) A holder of Notes may, by an instrument in writing in the [English][●] language (a form of proxy) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar and Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a proxy) to act on his or its behalf in connection with any meeting.
- (b) Any proxy appointed pursuant to subclause (a) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting, to be the holder of the Notes to which such appointment relates and the holders of the Notes shall be deemed for such purposes not to be the holder.
- (c) Each form of proxy shall be deposited by the Registrar and Transfer Agent with the Issuer at its registered office not less than 24 hours before the time appointed for holding the meeting at which the proxy or proxies named in the form of proxy proposes to vote, and in default form of proxy shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each form of proxy shall be deposited with the Issuer before the commencement of the meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such form of proxy.
- (d) Any vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy provided that no indication in writing of such revocation or amendment has been received from the holder thereof by the Issuer at its registered office by the time being 48 hours before the time appointed for holding the meeting at which the form of proxy is to be used.]

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

- 3.1** The Issuer may at any time and, if required in writing by Noteholders holding not less than [51.01][●] per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders and if the Issuer fails for a period of seven days to convene the meeting, the meeting may be convened by the relevant Noteholders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the *[in the case of bearer Notes, the following applies:*

Paying Agent] [and][or] [*in the case of registered Notes, the following applies*: Registrar and Transfer Agent] of the day, time and place of the meeting and of the nature of the business to be transacted at the meeting.

- 3.2** At least [21][●] clear days' notice specifying the place, day and hour of the meeting shall be given to the Noteholders in the manner provided in the relevant terms and conditions of the Notes. The notice, which shall be in the [English][●] language, shall state generally the nature of the business to be transacted at the meeting and shall either (i) include statements as to the manner in which holders may, if applicable, appoint proxies or representatives [*in the case of bearer Notes, the following applies*: and arrange for voting certificates or block voting instructions to be issued], or (ii) inform Noteholders that details of the voting arrangements are available free of charge from the [*in the case of bearer Notes, the following applies*: Paying Agent] [and][or] [*in the case of registered Notes, the following applies*: Registrar and Transfer Agent], provided that, in the case of (ii) the final form of such details are so available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).
- 3.3** The person (who may but need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the Noteholders present shall choose one of their number to be chairman failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the meeting from which the adjournment took place.
- 3.4** At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than [51][●] per cent. in nominal amount of the Notes for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the required quorum is present at the commencement of business.
- 3.5** If within [15][●] minutes (or such longer period not exceeding 30 minutes as the chairman may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened by Noteholders be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday the next following business day) at the same time and place.
- 3.6** At any adjourned meeting one or more Eligible Persons present (whatever the nominal amount of the Notes so held or represented by them) shall form a quorum and shall have power to pass any resolution or any other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present.
- [3.7.** [The provisions set out in this “Noteholder Meeting Provisions” shall apply mutatis mutandis (as applicable) to the Guarantee of the Guarantor (or its Successor Guarantor(s) as applicable) as set out in the relevant Final Terms [but solely in regard to the Notes issued with the Conditions titled [“Option VI – Terms and Conditions of the Fixed Rate Bearer Notes”] [or] [“Option VII – Terms and Conditions of the Fixed Rate Registered Notes”] [or] [“Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form”] [or] [“Option IX – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form”]].[●]]

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

- 4.1** Every question submitted to a meeting shall be decided by a poll. In the case of an equality of votes for any resolution which does not require any particular quorum, the resolution shall be deemed to be rejected.

- 4.2** The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- 4.3** Any poll on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 4.4** Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of the Issuer. Nothing contained in this subclause shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.
- 4.5** Subject as provided in subclause 4.4 above, at any meeting, every Eligible Person present shall have one vote in respect of one Note.

*[In the case of bearer Notes, the following applies:* Without prejudice to the obligations of the proxies named in any block voting instruction,] [A][a]ny person entitled to cast more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

*[In the case of bearer Notes, the following applies:*

- 4.6** The proxies named in any block voting instruction need not be Noteholders.]

**[4.6][4.7]** A meeting of the Noteholders shall have powers specified in the terms and conditions of the relevant Notes. All powers shall be exercisable by a meeting of the Noteholders by a resolution adopted by a simple majority of the votes cast (subject to the provisions relating to quorum contained in subclauses 3.4 and 3.6). Notwithstanding any provision to the contrary in this section or the terms and conditions of the Notes, no modification may be made to the terms and conditions of the Notes without the prior written consent of entities acting as account banks in connection with the Notes *[in the case of bearer Notes, the following applies:* and/or paying agents and securities custodians if such modification would have an effect to lower the rank of such entities in the order of payment of costs set out in the terms and conditions of the Notes].

**[4.7][4.8]** Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these provisions shall be binding upon all the Noteholders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Noteholders shall be published in accordance with the terms and conditions of the Notes by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

**[4.8][4.9]** Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the chairman of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.

If and whenever the Issuer has issued and has outstanding Notes of more than one series the previous provisions of this section shall have effect subject to the following changes:

- a resolution which affects the Notes of only one series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that series;
- a resolution which affects the Notes of more than one series but does not give rise to a conflict of interest between the holders of Notes of any of the series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the series so affected;
- a resolution which affects the Notes of more than one series and gives or may give rise to a conflict of interest between the holders of the Notes of one series or group of series so affected and the holders of the Notes of another series or group of series so affected shall be deemed to have been duly passed only if it is duly passed at separate meetings of the holders of the Notes of each series or group of series so affected; and
- to all such meetings all the preceding provisions of this section shall *mutatis mutandis* apply as though references therein to Notes, Noteholders and holders were references to the Notes of the series or group of series in question or to the holders of such Notes, as the case may be.

## GUARANTEE

of

### **Timberland Securities Investment plc, St. Julian's, Malta,**

for the benefit of the holders of notes to be issued by E-Stream Energy GmbH & Co KG on the legal grounds of a base prospectus dated 12 July 2019 (the **Base Prospectus**) and solely based on the terms and conditions either titled "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes" or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form" (the **Notes**)

#### **WHEREAS:**

- (A) E-Stream Energy GmbH & Co KG (**E-Stream Energy**) intends to issue Notes under the Base Prospectus from time to time.
- (B) The Notes will be issued with Terms and Conditions (either titled "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes") or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form" (as amended, supplemented or modified by the applicable Final Terms, the **Conditions**).
- (C) Timberland Securities Investment plc (the **Guarantor**) wishes to guarantee the due payment of principal and interest and any other amounts payable in respect of Notes that may be issued by E-Stream Energy GmbH & Co KG under the Base Prospectus (but solely Notes issued with the Conditions titled "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes" or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form" and in an amount as set out in the relevant Final Terms).
- (D). In case the relevant Conditions set out (i) a Guarantor Substitution clause and (ii) such Substitution clause is declared in connection with one or more series of Notes and (iii) one or more Substitute Guarantor(s) declare(s) to accept such substitution and to enter into the obligations of the previous Guarantor subject to this Guarantee and as set out in the relevant Conditions, the Guarantors obligations in regard to the relevant Note or Notes in connection with this Guarantee is passed over completely to the successor Guarantor(s) in regard to the relevant Note or Notes (**Substitution**).

In such case of Substitution Timberland Securities Investment plc will not guarantee the obligations of the Substitute Guarantor(s) under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Guarantor effected in accordance with the Conditions and to the release of the Guarantor from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof. In such case of Substitution Timberland Securities Investment plc has no further obligations for payment of principal and interest and any other amounts payable in respect of the relevant Note or Notes that have been, will be or may be issued by E-Stream Energy GmbH & Co KG under the Base Prospectus (as amended, supplemented or modified) and Timberland Securities Investment plc is indemnified against such obligations and liabilities (**Indemnification**).

In such case the indemnification is effective for and against any and all existing and future Noteholder. The obligations for payment of any principal and any interest and any other amounts payable in respect of Notes that have been, will be or may be issued by E-Stream Energy GmbH & Co KG under the Base Prospectus (but solely Notes issued with the Conditions titled "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes" or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form") are in such case(s) solely to be performed by the Substitute Guarantor(s).

**IT IS AGREED AS FOLLOWS:**

- (1) Subject to paragraph (2) hereunder, the Guarantor unconditionally and irrevocably guarantees to the holder of each Note (which expression shall include any Temporary Global Note or Permanent Global Note representing Notes) (each a **Noteholder**) issued by E-Stream Energy GmbH & Co KG now or at any time hereafter under the Base Prospectus, the due and punctual payment of the principal of, and interest on, the Notes and any other amounts which may be expressed to be payable under any Note, as and when the same shall become due, in accordance with the Conditions but only up to an amount as specified in the relevant Final Terms and in accordance and subject to point (D) in regard to Substitution and Indemnification.
- (2) This Guarantee is given in respect of Notes which are or will be issued by E-Stream Energy under the Base Prospectus but only for Notes issued with the Conditions titled either "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes" or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form" on or after the date hereof and in accordance and subject to point (D) in regard to Substitution and Indemnification.
- (3) This Guarantee constitutes an irrevocable, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other present or future unsecured and unsubordinated obligations of the Guarantor outstanding from time to time, subject to any obligations preferred by law.
- (4) All amounts payable in respect of this Guarantee shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:
  - (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by E-Stream Energy from payments of principal or interest made by it; or
  - (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
  - (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
  - (d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last calendar day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or
  - (e) are withheld or deducted in relation to a Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or

- (f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or
  - (g) would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a banking institution; or
  - (h) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with applicable provisions of the Conditions, whichever occurs later.
- (5) The obligations of the Guarantor under this Guarantee (i) shall be separate and independent from the obligations of E-Stream Energy under the Notes, (ii) shall exist irrespective of the legality, validity and binding effect or enforceability of the Notes, and (iii) shall not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes.
  - (6) The obligations of the Guarantor under this Guarantee shall, without any further act or thing being required to be done or to occur, extend to the obligations of any substitute debtor which is not the/a Guarantor arising in respect of any Note by virtue of a substitution pursuant to the Conditions (if any).
  - (7) This Guarantee and all undertakings contained herein constitute a contract for the benefit of the Noteholders from time to time as third-party beneficiaries pursuant to section 328 paragraph 1 German Civil Code (*Bürgerliches Gesetzbuch*)<sup>5</sup>. They give rise to the right of each such Noteholder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor. Any Noteholder has the right in case of non-performance of any payments on the Notes to enforce the Guarantee by filing a suit directly against the Guarantor without the need to take prior proceedings against E-Stream Energy.
  - (8) Timberland Invest Ltd. which accepted this Guarantee, in its capacity as Fiscal Agent does not act in a relationship of agency or trust, a fiduciary or in any other similar capacity for the Noteholders. Timberland Invest Ltd. serves the right, to substitute itself in regard to its Fiscal Agent function and/or in regard to the acceptance of the Guarantee by one or more Successor(s).
  - (9) Terms used in this Guarantee and not otherwise defined herein shall have the meaning attributed to them in the Conditions.
  - (10) If Notes provide that the provisions regarding the amendment of the Conditions and the Noteholders' Representative apply to such Notes, such provisions shall be applicable mutatis mutandis also to this Guarantee.
  - (11) This Agreement shall be governed by, and construed in accordance with, German law.
  - (12) The original version of this Guarantee shall be delivered to, and kept by, Timberland Invest Ltd.
  - (13) Exclusive place of jurisdiction for all legal proceedings arising out of or in connection with this Guarantee against the Guarantor shall be Duisburg.
  - (14) On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of Timberland Invest Ltd. each Noteholder may protect and enforce in his own name his rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Noteholder and the Guarantor are parties, without the need for production of this Guarantee in such proceedings.

26 June 2019

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<sup>5</sup> An English language translation of § 328 paragraph 1 German Civil Code (*Bürgerliches Gesetzbuch*) reads as follow: "A Contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance."

**Timberland Securities Investment plc**

\_\_\_\_\_  
Mr Thomas Kraemer  
acting on behalf of the Board of Directors

\_\_\_\_\_  
Mr. Dirk Koester  
acting on behalf of the Board of Directors

We, Timberland Invest Ltd., accept the terms of the above Guarantee without recourse, warranty or liability.

26 June 2019

**Timberland Invest Ltd.**

\_\_\_\_\_  
Mr Thomas Kraemer  
acting on behalf of the Board of Directors

\_\_\_\_\_  
Mr. Anthony Paris  
acting on behalf of the Board of Directors

## GUARANTEE II

of

### Timberland Securities Investment plc, St. Julian's, Malta,

for the benefit of the holders of notes to be issued by E-Stream Energy GmbH & Co KG on the legal grounds of a base prospectus dated 12 July 2019 (the **Base Prospectus**) and solely based on the terms and conditions either titled "Option IX – Terms and Conditions of the Fixed Rate Registered Notes II Issued in Dematerialised Form" (the **Notes II**)

#### WHEREAS:

- (A) E-Stream Energy GmbH & Co KG (**E-Stream Energy**) intends to issue Notes II under the Base Prospectus from time to time.
- (B) The Notes II will be issued with Terms and Conditions (either titled "Option IX – Terms and Conditions of the Fixed Rate Registered Notes II Issued in Dematerialised Form" (as amended, supplemented or modified by the applicable Final Terms, the **Conditions**).
- (C) Timberland Securities Investment plc (the **Guarantor**) wishes to guarantee the due payment of principal and interest and any other amounts payable in respect of Notes II that may be issued by E-Stream Energy GmbH & Co KG under the Base Prospectus (but solely Notes II issued with the Conditions titled "Option IX – Terms and Conditions of the Fixed Rate Registered Notes II Issued in Dematerialised Form" and in an amount as set out in the relevant Final Terms).
- (D). In case the relevant Conditions set out (i) a Guarantor Substitution clause and (ii) such Substitution clause is declared in connection with one or more series of Notes and (iii) one or more Substitute Guarantor(s) declare(s) to accept such substitution and to enter into the obligations of the previous Guarantor subject to this Guarantee and as set out in the relevant Conditions, the Guarantors obligations in regard to the relevant Note or Notes in connection with this Guarantee is passed over completely to the successor Guarantor(s) in regard to the relevant Note or Notes (**Substitution**).

In such case of Substitution Timberland Securities Investment plc will not guarantee the obligations of the Substitute Guarantor(s) under the Notes after the substitution(s). The Noteholders, by subscribing for, or otherwise acquiring, the Notes, are deemed to have (i) consented to any substitution(s) of the Guarantor effected in accordance with the Conditions and to the release of the Guarantor from any and all obligations in respect of the relevant Notes and these presents; and (ii) accepted such substitution(s) and the consequences thereof. In such case of Substitution Timberland Securities Investment plc has no further obligations for payment of principal and interest and any other amounts payable in respect of the relevant Note or Notes that have been, will be or may be issued by E-Stream Energy GmbH & Co KG under the Base Prospectus (as amended, supplemented or modified) and Timberland Securities Investment plc is indemnified against such obligations and liabilities (**Indemnification**).

In such case the indemnification is effective for and against any and all existing and future Noteholder. The obligations for payment of any principal and any interest and any other amounts payable in respect of Notes that have been, will be or may be issued by E-Stream Energy GmbH & Co KG under the Base Prospectus (but solely Notes issued with the Conditions titled "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes" or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form") are in such case(s) solely to be performed by the Substitute Guarantor(s).

**IT IS AGREED AS FOLLOWS:**

- (1) Subject to paragraph (2) hereunder, the Guarantor unconditionally and irrevocably guarantees to the holder of each Note (which expression shall include any Temporary Global Note or Permanent Global Note representing Notes II) (each a **Noteholder**) issued by E-Stream Energy GmbH & Co KG now or at any time hereafter under the Base Prospectus, the due and punctual payment of the principal of, and interest on, the Notes II and any other amounts which may be expressed to be payable under any Note II, as and when the same shall become due, in accordance with the Conditions but only up to an amount as specified in the relevant Final Terms and in accordance and subject to point (D) in regard to Substitution and Indemnification.
- (2) This Guarantee II is given in respect of Notes II which are or will be issued by E-Stream Energy under the Base Prospectus but only for Notes II issued with the Conditions titled either "Option IX –Terms and Conditions of the Fixed Rate Registered Notes II Issued in Dematerialised Form" on or after the date hereof and in accordance and subject to point (D) in regard to Substitution and Indemnification.
- (3) This Guarantee II constitutes an irrevocable, unsecured and unsubordinated obligation of the Guarantor and ranks pari passu with all other present or future unsecured and unsubordinated obligations of the Guarantor outstanding from time to time, subject to any obligations preferred by law.
- (4) All amounts payable in respect of this Guarantee II shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Noteholders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:
  - (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Noteholder, or otherwise in any manner which does not constitute a deduction or withholding by E-Stream Energy from payments of principal or interest made by it; or
  - (b) are payable by reason of the Noteholder having, or having had, some personal or business connection with Malta and not merely by reason of the fact that payments in respect of the Notes II are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, Malta; or
  - (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which Malta or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
  - (d) are presented for payment more than 30 calendar days after the Relevant Date except to the extent that a Noteholder would have been entitled to additional amounts on presenting the same for payment on the last calendar day of the period of 30 calendar days assuming that day to have been a Payment Business Day; or
  - (e) are withheld or deducted in relation to a Note presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union; or
  - (f) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding; or

- (g) would not be payable if the Notes II had been kept in safe custody with, and the payments had been collected by, a banking institution; or
  - (h) are payable by reason of a change in law or practice that becomes effective more than 30 calendar days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with applicable provisions of the Conditions, whichever occurs later.
- (5) The obligations of the Guarantor under this Guarantee II (i) shall be separate and independent from the obligations of E-Stream Energy under the Notes II, (ii) shall exist irrespective of the legality, validity and binding effect or enforceability of the Notes II, and (iii) shall not be affected by any event, condition or circumstance of whatever nature, whether factual or legal, save the full, definitive and irrevocable satisfaction of any and all payment obligations expressed to be assumed under the Notes II.
  - (6) The obligations of the Guarantor under this Guarantee II shall, without any further act or thing being required to be done or to occur, extend to the obligations of any substitute debtor which is not the/a Guarantor arising in respect of any Note by virtue of a substitution pursuant to the Conditions (if any).
  - (7) This Guarantee II and all undertakings contained herein constitute a contract for the benefit of the Noteholders from time to time as third-party beneficiaries pursuant to section 328 paragraph 1 German Civil Code (*Bürgerliches Gesetzbuch*)<sup>6</sup>. They give rise to the right of each such Noteholder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor. Any Noteholder has the right in case of non-performance of any payments on the Notes II to enforce the Guarantee II by filing a suit directly against the Guarantor without the need to take prior proceedings against E-Stream Energy.
  - (8) Timberland Invest Ltd. which accepted this Guarantee II, in its capacity as Fiscal Agent does not act in a relationship of agency or trust, a fiduciary or in any other similar capacity for the Noteholders. Timberland Invest Ltd. serves the right, to substitute itself in regard to its Fiscal Agent function and/or in regard to the acceptance of the Guarantee by one or more Successor(s).
  - (9) Terms used in this Guarantee II and not otherwise defined herein shall have the meaning attributed to them in the Conditions.
  - (10) If Notes II provide that the provisions regarding the amendment of the Conditions and the Noteholders' Representative apply to such Notes II, such provisions shall be applicable mutatis mutandis also to this Guarantee II.
  - (11) This Agreement shall be governed by, and construed in accordance with, German law.
  - (12) The original version of this Guarantee II shall be delivered to, and kept by, Timberland Invest Ltd.
  - (13) Exclusive place of jurisdiction for all legal proceedings arising out of or in connection with this Guarantee II against the Guarantor shall be Duisburg.
  - (14) On the basis of a copy of this Guarantee II certified as being a true copy by a duly authorised officer of Timberland Invest Ltd. each Noteholder may protect and enforce in his own name his rights arising under this Guarantee II in any legal proceedings against the Guarantor or to which such Noteholder and the Guarantor are parties, without the need for production of this Guarantee II in such proceedings.

27 June 2019

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<sup>6</sup> An English language translation of § 328 paragraph 1 German Civil Code (*Bürgerliches Gesetzbuch*) reads as follow: "A Contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance."

**Timberland Securities Investment plc**

\_\_\_\_\_  
Mr Thomas Kraemer  
acting on behalf of the Board of Directors

\_\_\_\_\_  
Mr. Dirk Koester  
acting on behalf of the Board of Directors

We, Timberland Invest Ltd., accept the terms of the above Guarantee without recourse, warranty or liability.  
27 June 2019

**Timberland Invest Ltd.**

\_\_\_\_\_  
Mr Thomas Kraemer  
acting on behalf of the Board of Directors

\_\_\_\_\_  
Mr. Anthony Paris  
acting on behalf of the Board of Directors

## FORM OF FINAL TERMS

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

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). Consequently, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (**PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended, Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as amended (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, on the prospectus to be published when securities are offered to the public or admitted to trading, as amended.]

### [MIFID II PRODUCT GOVERNANCE / ELIGIBLE COUNTERPARTIES, PROFESSIONAL CLIENTS AND RETAIL CLIENTS TARGET MARKET

Solely for the purposes of [the][each] manufacturer['s][s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended or superseded, **MiFID II**)] [MiFID II] [*specify further target market criteria*], and [(ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and [pure execution services]]] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate: investment advice [,] [and] portfolio management [,] [and] [non-advised sales] [and pure execution services] [*specify negative target market, if applicable*]. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer['s][s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s][s'] target market assessment) and determining appropriate distribution channels.]

### Final Terms

dated [*insert date*]

to the Base Prospectus dated [*insert date*]  
[supplemented by [*insert all relevant supplements including its date and number*]]  
(the **Base Prospectus**)

of

### **E-STREAM ENERGY GMBH & CO KG**

[Legal Entity Identifier (LEI): [●]]

**(incorporated as a Limited Partnership with  
a limited liability company as General Partner under the laws of Germany)**

Issue of [*insert name of the Securities*]

(the **Notes**)

Issue Date: [●]

[Series Number: [●]]

## Important Notice

*These Final Terms contain the final terms of an issue of Notes under the base prospectus of E-Stream Energy GmbH & Co KG for the issuance of contingent capital fixed rate bearer notes, contingent capital fixed rate registered notes, fixed rate bearer notes, fixed rate registered notes, fixed rate registered notes issued in dematerialised form and guaranteed Fixed Rate Bearer Notes, guaranteed Fixed Rate Registered Notes, guaranteed Fixed Rate Registered Notes issued in dematerialised form and guaranteed Fixed Rate Registered Notes II issued in dematerialised form.*

*These final terms (the **Final Terms**) have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC. 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 E-Stream Energy GmbH & Co KG (the **Issuer**) dated [●] for the issuance of Contingent Capital Fixed Rate Bearer Notes, Contingent Capital Fixed Rate Registered Notes, Fixed Rate Bearer Notes, Fixed Rate Registered Notes and Fixed Rate Registered Notes (the latter, issued in dematerialised form) and guaranteed Fixed Rate Bearer Notes, guaranteed Fixed Rate Registered Notes, guaranteed Fixed Rate Registered Notes (the latter, issued in dematerialised form) and guaranteed Fixed Rate Registered Notes II (the latter, issued in dematerialised form) (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].*

*These Final Terms consist of three parts: Part I – General Information; Part II – Terms and Conditions of the Notes; and Part III – Noteholder Meeting Provisions. [A summary of the individual issue of the Notes is annexed to these Final Terms.<sup>7</sup>]*

*The Base Prospectus will no longer be valid on [●]. 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 Contingent Capital Fixed Rate Bearer Notes, Contingent Capital Fixed Rate Registered Notes, Fixed Rate Bearer Notes, Fixed Rate Registered Notes and Fixed Rate Registered Notes (the latter, issued in dematerialised form) and guaranteed Fixed Rate Bearer Notes, guaranteed Fixed Rate Registered Notes, guaranteed Fixed Rate Registered Notes (the latter, issued in dematerialised form) and guaranteed Fixed Rate Registered Notes II (the latter, issued in dematerialised form) , succeeding the Base Prospectus. [This particularly applies to section "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 [[●] and in addition] [in printed version free of charge at [●] and in addition] on the website [insert website] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer. No non-exempt offer of the Notes under these Final Terms will be made unless there is a valid version of the Base Prospectus.*

*[Alternative: In the case of a planned continuation of the public offering of the Notes after expiry of the period of validity of the Base Prospectus, insert: The validity of this Base Prospectus (also **Original Base Prospectus**) ends on [insert date]. 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 [insert website] 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

<sup>7</sup>

Not applicable in the case of an issue of Notes with a minimum denomination of at least EUR 100,000.

Nicht anwendbar im Fall einer Emission von Wertpapieren mit einer Mindeststückelung in Höhe von mindestens EUR 100.000.

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.]

**[Alternative: In the case of a planned continuation of the public offering of the Notes after expiry of the period of validity of the Base Prospectus, insert:** The above-mentioned Base Prospectus dated [insert date], under which the securities described in these Final Terms [are issued][are continued to be offered], will cease to be valid on [insert date]. 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 [insert exact name] which succeeds the Base Prospectus dated [insert date]. The latest valid version of the Base Prospectus for the issuance of [insert exact title] of [insert exact name of the issuer] is published on the website of [insert exact name of the issuer] ([insert exact link]). Investors can access the latest valid version of the Base Prospectus by selecting "[insert exact title]".]

**[In the case of a new documentation of the Notes after expiry of the period of validity of the Base Prospectus, insert:** These Final Terms serve to continue the public offering of the Notes which were documented by the Final Terms [[insert Security Identification Number]] dated [●] to the base prospectus for [insert exact title] of [insert exact name of the issuer] dated [insert date] [and, previously, by the Final Terms dated [●] to the base prospectus for the issuance of [insert exact title] of [insert exact name of the issuer] dated [insert date]], the period of validity of which has expired.]

[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 notes have not already been delivered to them.]

*The Base Prospectus, any Supplements and these Final Terms are available [[●] and in addition] [in printed version free of charge at [●] and in addition] on the website [insert website] or any successor website thereof, in which case an automatic redirection will be ensured by the Issuer.*

## 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[, as amended,] dated [●], as incorporated by reference. Besides these Final Terms are to be read in conjunction with the Base Prospectus dated [insert date].] 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]:	[●][Not applicable.]
Aggregate principal amount:	[●]
Principal amount/specified denomination:	[●]
Issue price:	[The issue price means the price of the Notes subscribed for during the subscription period. The issue price corresponds [●][to the nominal amount of a Note] [plus the front-up commission] [plus][minus] [accrued interest][●].] [The issue price means [for the period between [insert date] until and including [insert date] [●]] [and for the period between [insert date] until and including [insert date] [●]] [and for the period between [insert date] until and including [insert date] [●]] [and for the period between [insert date] until and including [insert date] [●]] [and for the period between [insert date] until and including [insert date] [●]][●].] [In case the Notes are offered without engagement after expiry of the subscription period, the issue price of the Notes will be determined by the Issuer in its own free discretion taking into account actual market conditions.]
Selling commission:	[●][None.]
Other commissions:	[Front-up commission of up to [5][●] per cent. of [the nominal amount][●] per Note.][●][None.] [●]
Expenses and taxes specifically charged to the subscriber or purchaser:	[●][None.]
Use of proceeds:	[Specify details with regard to reasons for the offer and use of proceeds.]
Net proceeds:	[●][Not applicable.]
Estimated total expenses:	[●][Not applicable.]
Indication of yield:	[●]
Material interests, including conflicting ones, of natural and legal persons involved in the issue/offer:	[Insert description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.][Not applicable.]

Jurisdiction[s], in which non-exempt offer may take place:	Non-exempt offers may be made in [the Republic of Austria][,] [and] [the Republic of Croatia][,] [and] [the Republic of Cyprus][,] [and] [the Czech Republic][,] [and] [the Federal Republic of Germany][,] [and] [the French Republic][,] [and] [Hungary][,] [and] [the Republic of Ireland][,] [and] [the Italian Republic][,] [and] [the Principality of Liechtenstein][,] [and] [the Grand Duchy of Luxembourg][,] [and] [the Republic of Malta][,] [and] [the Republic of Poland][,] [and] [Romania][,] [and] [the Slovak Republic][,] [and] [the Republic of Slovenia][,] [and] [the Kingdom of Spain][,] [and] [the United Kingdom of Great Britain and Northern Ireland].
Conditions, to which the offer is subject:	[●][Not applicable.]
Underwriting:	[The Notes will be underwritten [with a firm commitment basis][without a firm commitment basis][under best efforts arrangements] by the following distributor[s]: [ <i>insert distributor[s]</i> ]. [[ <i>insert percentage</i> ] per cent. of the issue is not underwritten.] [The [underwriting][subscription] agreement [is][will be] dated as of [ <i>insert date</i> ]].][Not applicable.]
Minimum amount of application:	[●][Not applicable.]
Maximum amount of application:	[●][Not applicable.]
Manner and date in which results of the offer are to be made public:	[●]
Method and time limits for paying up the Notes and for delivery of the Notes:	The delivery of the Notes shall be [free of payment][against payment] [on [ <i>insert date</i> ]]. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor's application.  [The appropriate number of Notes shall be credited to the holder's account in accordance with the rules of the corresponding Clearing System.]
Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:	[●][Not applicable.]
Clearing System, Custody:	[Euroclear] [/] [Clearstream Luxembourg] [/] [Clearstream Frankfurt] [/] [OeKB CDS] [/] [Central Securities Depository of the Malta Stock Exchange] [/] [●] [Not applicable.]
Admission to trading:	[Not applicable.] [However, application][Application] [has been][will be][may be] made to [list the Notes][include the Notes to

trading] on [the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange] [and the] [the Open Market (*Freiverkehr*) of the Munich Stock Exchange] [and the] [the Open Market (*Freiverkehr*) of the Stuttgart Stock Exchange] [and the] [the MTF market (*Dritter Markt*) of the Vienna Stock Exchange] [and the] [the Malta Stock Exchange] [and the] [the European Wholesale Securities Market] [and the] [the Euro MTF market of the Luxembourg Stock Exchange] [and the] [*insert other unregulated market*], which [is][are] not [a] regulated market[s] [and] [on one or more organised trading facilities (OTF)] [each] within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.]

[Application [has been][will be][may be] made for the admission to trading of the Notes on the regulated market[s] of the [Frankfurt Stock Exchange] [and the] [Munich Stock Exchange] [and the] [Stuttgart Stock Exchange] [and the] [Vienna Stock Exchange] [and the] [the Malta Stock Exchange] [and the] [the European Wholesale Securities Market] [and the] [Luxembourg Stock Exchange] [and the] [*insert other regulated market*], which [is][are] [a] regulated market[s] [and] [on an organised trading facility (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. For the avoidance of doubt "and" means in regard to admission to trading of Notes one or more regulated market(s).]

Offer period:

The offer period started on [●] and will finish on [●]; 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.]

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

The Notes will [initially] be offered during a subscription period[.]; the Issuer intends to continue the subscription period for the Notes after expiry of the period of validity of the Base Prospectus under a succeeding Base Prospectus.]

Subscription period: [[*insert first day of subscription period*] – [*insert last day of subscription period*] [( [*insert time*] [p.m.] [a.m.] local time)]] [●]

[The Issuer reserves the right to continue the public offer subject to the filing of new Final Terms for the Notes under another base prospectus.]

[[After expiration of the subscription period, the offer period [continues][may be continued].]  
[[The][A possible] offer will be made without engagement.]][●]

Consent to the use of the Base Prospectus:

*[In the case of a general consent, the following applies:*

The Issuer consents to the use of the Base Prospectus (under which the offer of the Notes takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Notes by all financial intermediaries during the period of validity of the Base Prospectus by all financial intermediaries (so-called general consent).

General consent for the subsequent resale or final placement of Notes by the financial [intermediary][intermediaries] is given in relation to [the Republic of Austria][,] [and] [the Republic of Croatia][,] [and] [the Republic of Cyprus][,] [and] [the Czech Republic][,] [and] [the Federal Republic of Germany][,] [and] [the French Republic][,] [and] [Hungary][,] [and] [the Republic of Ireland][,] [and] [the Italian Republic][,] [and] [the Principality of Liechtenstein][,] [and] [the Grand Duchy of Luxembourg][,] [and] [the Republic of Malta][,] [and] [the Republic of Poland][,] [and] [Romania][,] [and] [the Slovak Republic][,] [and] [the Republic of Slovenia][,] [and] [the Kingdom of Spain][,] [and] [the United Kingdom of Great Britain and Northern Ireland].]

*[In the case of an individual consent, the following applies:*

The Issuer consents to the use of the Base Prospectus (under which the offer of the Notes takes place) and the applicable Final Terms in connection with a subsequent resale or final placement of the Notes by the following financial intermediaries during the period of validity of the Base Prospectus by the following financial intermediaries (so-called individual consent):

*[Insert name(s) and address(es)].*

Individual consent for the subsequent resale or final placement of the Notes by the financial [intermediary][intermediaries] is given in relation to [the Republic of Austria][,] [and] [the Republic of

Croatia][,] [and] [the Republic of Cyprus][,] [and] [the Czech Republic][,] [and] [the Federal Republic of Germany][,] [and] [the French Republic][,] [and] [Hungary][,] [and] [the Republic of Ireland][,] [and] [the Italian Republic][,] [and] [the Principality of Liechtenstein][,] [and] [the Grand Duchy of Luxembourg][,] [and] [the Republic of Malta][,] [and] [the Republic of Poland][,] [and] [Romania][,] [and] [the Slovak Republic][,] [and] [the Republic of Slovenia][,] [and] [the Kingdom of Spain][,] [and] [the United Kingdom of Great Britain and Northern Ireland] to [*insert name(s) and address(es)*].]

[The Issuer's consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions as well as the Terms and Conditions of the offer.

[Moreover, the Issuer's consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Notes. This commitment is made by the publication of the financial intermediary on its website stating that the Base Prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent.]

Besides, the consent is not subject to any other conditions.]

[Not applicable. No consent is given.]

[Selling Restrictions:

The offer is [not] a non-exempt offer.

[Prohibition of sales to retail investors in the European Economic Area does [not] apply.]

[*Insert any other selling restriction.*]]

[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:

[*Insert website*] [(or any successor or replacement address thereto, in which case an automatic redirection will be ensured by the Issuer).]]

## **Part II – Terms and Conditions of the Notes**

*[In the case of Contingent Capital Fixed Rate Bearer Notes replicate the relevant provisions of Option I (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Contingent Capital Fixed Rate Registered Notes replicate the relevant provisions of Option II (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Fixed Rate Bearer Notes replicate the relevant provisions of Option III (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Fixed Rate Registered Notes replicate the relevant provisions of Option IV (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.]*

*[In the case of Fixed Rate Registered Notes issued in dematerialised form replicate the relevant provisions of Option V (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.)]*

*[In the case of guaranteed Fixed Rate Bearer Notes issued in dematerialised form replicate the relevant provisions of Option VI (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.)]*

*[In the case of guaranteed Fixed Rate Registered Notes issued in dematerialised form replicate the relevant provisions of Option VII (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.)]*

*[In the case of guaranteed Fixed Rate Registered Notes in Dematerialised Form issued in dematerialised form replicate the relevant provisions of Option VIII (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.)]*

*[In the case of guaranteed Fixed Rate Registered Notes II in Dematerialised Form issued in dematerialised form replicate the relevant provisions of Option IX (including relevant further options contained therein) set out in this Base Prospectus and complete relevant placeholders.)]*

### **Part III – Noteholder Meeting Provisions**

*[Replicate the relevant provisions of Noteholder Meeting Provisions (including relevant further options contained therein) set out in this Base Prospectus.]*

**[Part IV – Guarantee**

*[In the case of guarantee Fixed Rate Bearer Notes according to Option VI, insert Guarantee.]*

*[In the case of guaranteed Fixed Rate Registered Notes according to Option VII, insert Guarantee.]*

*[In the case of guaranteed Fixed Rate Registered Notes issued in dematerialised form according to Option VIII, insert Guarantee.]*

*[In the case of guaranteed Fixed Rate Registered Notes issued in dematerialised form according to Option IX, insert Guarantee II.]*

*[Insert issue specific summary here. It shall be noted that the issue specific summary needs to be drafted on the basis of the summary relating to the Base Prospectus. No further information may be added, but the information will be made specific for the relevant issue of Notes only, i.e. parts of the summary relating to the Base Prospectus which are of no relevance for a specific issue must be deleted and information which is drafted in a general manner must be replaced by issue specific information.]*<sup>8</sup>

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<sup>8</sup>

Not required for Notes with a Specified Denomination of at least EUR 100,000.

*Nicht erforderlich bei Wertpapieren mit einer Festgelegten Stückelung von mindestens EUR 100.000.*

## DESCRIPTION OF THE PARTIES

### DESCRIPTION OF E-STREAM ENERGY GMBH & CO KG (THE ISSUER) AND ITS BUSINESS ACTIVITIES

#### 1.1. History and Development of the Issuer

The Issuer, E-Stream Energy GmbH & Co KG, was registered in Germany for an indefinite duration on 2 Decemeber 2004 (under its previous name AHW Management International GmbH & Co. KG), a private limited partnership, incorporated in terms of the German Trade Law (*Handelsgesetzbuch*). The Issuer is represented by its General Partner E-Stream Energy Management GmbH (*Komplementär*). The General Partner E-Stream Energy Management GmbH was registered in Germany for an indefinite duration on 1 December 2004 ((under its previous name AHW Management und Verwaltungs GmbH), a private limited liability company (*GmbH*), incorporated in terms of the German Trade Law.

#### 1.2. Additional Information about the Issuer

Full legal and commercial name:	E-Stream Energy GmbH & Co KG
Company registration number:	HRA 9357, Trade Register ( <i>Handelsregister</i> ) Duisburg, Germany
Office:	Wilhelmshofallee 83, D-47800 Krefeld
Place of registration and domicile:	Duisburg, Germany
Telephone number:	+49-2151-52404-0
Fax number:	+49-2151-52404-50
Email:	info@estream-energy.com

As at the date of this Base Prospectus, the Issuer has an authorised capital of the limited partners (*Kommanditkapital*) of EUR 800,000.

The Issuer maintains two legally depended branches, which are located in Mönchengladbach (Am Ringofen 26, D-41189 Mönchengladbach-Wickrath) and in Staufenberg.

#### 1.3. Additional Information about the General Partner

Full legal and commercial name of the General Partner:	E-Stream Energy Management GmbH
Company registration number:	HRB 17330
Office:	Wilhelmshofallee 83, 47800 Krefeld
Place of registration and domicile:	Duisburg, Germany
Telephone number:	+49-1805-238282
Fax number:	+49-1805-348282
Email:	info@estream-energy.com

As at the date of this Base Prospectus, the General Partner has an authorised capital (*Stammkapital*) of EUR 25,000 divided into 25,000 GmbH-shares of one (1) Euro each. The issued GmbH-share capital of the General Partner is of EUR 25,000 divided into 25,000 GmbH-shares of one (1) Euro each.

#### 1.4. Selected Financial Information

The Report and Financial Statements of the Issuer for the financial period from 1 January 2017 to 31 December 2017 and the audited Report and Financial Statements of the Issuer for the financial period from 1 January 2018 to 31 December 2018 have been prepared in accordance with the General Accepted Accounting Principals in Germany (*HGB/Handelsgesetzbuch*) in force at this time:

	<b>2018 (€)</b>
Non-Current assets	2,127,292
Current assets	6,193,287
Total Assets	8,320,579
Shareholder's Equity	1,073,790
Total Liabilities	7,246,789
Total Equity and Liabilities	8,320,579

The annual accounts for the financial period from 1 January 2017 to 31 December 2017:

	<b>2017 (€)</b>
Non-Current assets	1,886,347
Current assets	3,465,137
Total Assets	5,351,484
Shareholder's Equity	(0)
Total Liabilities	5,351,484
Total Equity and Liabilities	5,351,484

#### 1.5. Administration

In terms of the Issuer's Articles of Association (*Gesellschaftsvertrag*), the Issuer's representation must be by minimum one General Partner. The board of directors of the General Partner must consist, at all times, of a minimum of one director. As at the date of the publication of this Base Prospectus, the directors of the Issuer are as follows:

##### **Dr. Marcus Albrecht**

Dr. Albrecht (resident in Krefeld, German citizen) studied mechanical engineering at the University of Dortmund from 1990 to 1996. After completing his studies in 1996, he continued his education as a welding engineer. Dr. Albrecht received his doctorate from the Brandenburg Technical University Cottbus in 2008 while working part-time.

After starting his career as technical manager at Procter & Gamble, Dr. Albrecht held various positions at ThyssenKrupp Stainless Steel from 2000 to 2012. In Germany he managed several of the Group's plants, was responsible for cost-cutting programs at business unit level and, as Head of Research & Development in Italy, was responsible for the European stainless steel research and development activities of the ThyssenKrupp Group.

From 2012 to 2014, Dr. Albrecht was Managing Director of Halfen GmbH, a subsidiary of the Irish CRH Group. In his function as Operation Director, he was responsible for six global plants and the entire supply chain as well as the construction and successful commissioning of a new plant in China.

From 2015 to 2018, Dr. Albrecht was Managing Director of Euro Comfort Holding GmbH, a medium-sized company with several thousand employees at eleven international locations. The focus of Dr. Albrecht's activities was essentially on the operational management of the company.

Since 15 January 2019, Dr. Albrecht has been Managing Director of E-Stream Energy Management GmbH, the managing general partner of the Issuer. He also serves as member of the board of directors of additional non-financial entities. Dr. Albrecht is also a shareholder of IHACO GmbH.

### ***Dirk Koester***

Mr Koester has been working in the financial sector since 1987. From 1987 to 1992 he worked in foreign exchange trading and futures trading, first with Dean Witter Reynolds in Frankfurt am Main, later with Prudential Bache in Munich and with Merrill Lynch in Munich.

In 1992, Mr Koester became self-employed in the investment sector and has been working with Timberland Capital Management GmbH since 1996, where he has been responsible for asset management since 1999. Since 1999 Mr Koester has been working for Timberland Service GmbH in the field of sales control.

Since 2003, Mr Koester has been responsible together with Mr Kraemer for the portfolio management of the mutual fund "Timberland Top-Dividende International". He is a member of the Board of Directors of Timberland SICAV. He is also a member of the Board of Directors of the financial services institution Timberland Fund Management Ltd. (Malta) and Timberland Invest Ltd. (Malta). Mr Koester has, since 2003, performed individual portfolio management, fund management and investment advisory services for Timberland Capital Management GmbH.

In particular, he performs the day-to-day portfolio management of the retail sub-fund, Timberland Top-Dividende International together with Mr Kraemer. Since 1999, Mr Koester has also worked for Timberland Service GmbH, Germany, which is a licensed financial service provider in Germany (section 34 lit. f German Trade, Commerce and Industry Regulation Act (*Gewerbeordnung*) whose services include the distribution of financial products, including the fund Timberland Top-Dividende International, to retail, professional and institutional investors as well as other financial service providers. In this regard, Mr Koester works on a day-to-day basis with the register and transfer agents of the said products.

In addition to the above, Mr Koester has also, since 1999, setup (together with Mr Kraemer) several investment structures and AIFs in Germany, which are authorized for public offering by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*). His work included several functions ranging from assistance in setting up of the said structures to the day-to-day running thereof including inter alia being a member of a supervisory board (*Aufsichtsrat*).

Mr Koester is a board member of Timberland Investment GmbH and is also the head of portfolio management at the said company. In 2014, Timberland Investment GmbH was granted authorization by the BaFin as full-scope alternative investment fund manager for closed ended AIFs including individual portfolio management, investment advice, reception and transmission of orders and the safekeeping and management of shares or units in domestic investment funds, EU investment funds and/or foreign AIF for others and the marketing of units or shares in investment funds to third parties.

Mr Koester is a member of the board of directors and member of the investment committee of Timberland Fund Management Ltd. and member of the board of directors and member of investment advisory committee of Timberland Invest Ltd. Timberland Fund Management Ltd. is a Maltese MFSA-licensed full-scope AIFM, which is authorised to manage open-ended and close-ended AIFs and is also authorised to perform discretionary portfolio management services, to receive and transmit orders and to provide investment advice. Timberland Fund Management Ltd. passports its services to nearly all Member States of the European Union. Timberland Invest Ltd. is licensed as MiFID-

company to provide a number of services including the reception and transmission of orders, investment advice and placement of financial instruments without a firm commitment in respect of all financial instruments falling within the remit of Annex 1 to MiFID II. Timberland Invest Ltd. passports its service to all Member States of the European Union and to Norway, Island and Liechtenstein, all of which are countries of the European Economic Area.

Since 22 June 2015, Mr Koester has been Managing Director of E-Stream Energy Management GmbH, the managing general partner of the Issuer. Mr Koester is authorized to represent the Company on his own behalf and to enter into legal transactions with himself in his own name or as a representative of a third party (exemption from the restrictions of section 181 German Civil Code (*Bürgerliches Gesetzbuch*)).

Currently, Mr Koester is also a member of the management boards of the securitisation companies Timberland Securities P.L.C. (Malta), Timberland Securities SPC and Timberland Securities II SPC (Cayman Islands) as well as Timberland Securities S.A. and Timberland Investment S.A. (Luxembourg). He is also a member of the management bodies of other companies in the financial sector and other areas. As of today, Mr Koester also serves as member of the board of directors of Timberland Securities plc (Malta), Timberland Securities SPC and Timberland Securities II SPC (Cayman Islands), and Timberland Securities S.A. and Timberland Investment S.A. (Luxembourg), all of which are securitisation companies. He also serves as member of the board of directors of additional financial and non-financial entities. Furthermore, he serves inter alia as a member of the board of directors of (i) Timberland Management GmbH, which is a General Partner to inter alia Timberland Finance GmbH & Co KG and its branch in Hungary as well Timberland Finance International GmbH & Co KG and its branch in Hungary and (ii) E-Stream Energy Management GmbH, which is a General Partner to E-Stream Energy GmbH & Co KG.

### ***Thomas Kraemer***

Mr Kraemer has been working in the financial sector since 1993. Since 1996 he has been a managing partner of Timberland Capital Management GmbH, which manages financial portfolios throughout Europe, and since 1999 a managing partner of Timberland Service GmbH, a financial service provider for investment brokerage and investment consulting. Mr Kraemer is also a member of the Board of Directors of Timberland SICAV and in this capacity is responsible for the portfolio management of the "Timberland Top-Dividend International" mutual fund launched jointly with DG Bank Luxembourg in 1999. Since 2003 he has been carrying out this task together with Mr Koester. Mr Kraemer is also managing partner of Timberland Investment GmbH, a financial services provider for investment advice, investment brokerage and financial portfolio management. He is also a member of the Board of Directors of the financial services companies Timberland Fund Management Ltd. (Malta) and Timberland Invest Ltd. (Malta).

Currently, Mr Kraemer is also a member of the executive boards of the securitisation companies Timberland Securities plc, Timberland Securities Investment plc (Malta), Timberland Securities SPC and Timberland Securities II SPC (Cayman Islands) as well as Timberland Securities S.A. and Timberland Investment S.A. (Luxembourg). He is also a member of the management bodies of other companies in the financial sector and other areas.

Since AHW Management und Verwaltung GmbH was founded on 19 November 2004 (entered in the commercial register on 1 December 2004), Mr Kraemer has been Managing Director of AHW Management und Verwaltungs GmbH. Mr Kraemer is authorized to represent the Company on his own behalf and to enter into legal transactions with himself in his own name or as a representative of a third party (exemption from the restrictions of section 181 German Civil Code (*Bürgerliches Gesetzbuch*)).

Mr Kraemer has, since 1996, performed individual portfolio management and investment advisory services. Mr Kraemer has been a shareholder and board member of Timberland Capital Management

GmbH since 1996. The said company is since 1998 under authorization of the predecessor of the BaFin, *Bundesaufsichtsamt für das Kreditwesen* (BaKred), and the services thereof are passported to several European countries.

In 1999, together with DG Bank Luxembourg, Mr Kraemer set up a retail sub-fund, Timberland Top-Dividende International, which was a sub-fund of DG LUX Multimanager I SICAV (the latter being authorized for retail public offering in Luxembourg, Germany, and, as of 2002, also in Austria). Mr Kraemer is responsible for the day-by-day portfolio management of this Fund and since 2003, he has performed this role together with Mr Dirk Koester.

Mr Kraemer has also, since 1999, been a member of the board of directors of Timberland Service GmbH, Germany, which is licensed as a financial service provider in Germany (section 34 lit. f German Trade, Commerce and Industry Regulation Act (*Gewerbeordnung*)) and acts as distribution agent of the fund Timberland Top-Dividende International.

In 2006, Mr Kraemer assisted in the migration of the fund Timberland Top-Dividende International to AHW SICAV (a new setup SICAV) with LRI Invest as UCITS Management Company. Mr Kraemer was deputy chairman (*stellvertretender Verwaltungsrat*) of the board of directors (*Verwaltungsrat*) of the SICAV between 2006 and August of 2010. Timberland Capital Management GmbH and Timberland Service GmbH (both of which Mr Kraemer was involved in, in the capacities referenced above) were respectively appointed as portfolio manager and distribution agent/information agent to the said SICAV.

In 2010, Mr Kraemer assisted in the migration of the fund Timberland Top-Dividende International to Timberland SICAV. Mr Kraemer has, since August 2010, been appointed as deputy chairman (*stellvertretender Verwaltungsrat*) of Timberland SICAV. In this instance, Timberland Capital Management GmbH and Timberland Service GmbH (both of which Mr Kraemer was involved in, in the capacities referenced above) were also appointed to perform the functions of portfolio manager and distribution agent/information agent to the said SICAV.

In addition to the above, Mr Kraemer has also, since 1999, setup several investment structures (*Vermögensanlagen*) and AIFs in Germany, which have been (as of 2009) authorized for public offering by BaFin. His work included several functions ranging from assistance in drafting the prospectus of the said AIF/investment structures (together with the advising law firm) to the day-to-day running thereof, including setting up the relationship with Commerzbank AG (as account bank for the said AIFs/investment structures).

Mr Kraemer is a shareholder and board member of Timberland Investment GmbH. In 2014, Timberland Investment GmbH was granted authorization by the BaFin as full scope AIFM for closed ended AIFs including individual portfolio management, investment advice, reception and transmission of orders and the safekeeping and management of shares or units in domestic investment funds, EU investment funds and/or foreign AIF for others and the marketing of units or shares in investment funds to third parties.

Mr Kraemer is also a board member and investment committee member of Timberland Fund Management Ltd. and a board member and member of investment advisory committee of Timberland Invest Ltd. Timberland Fund Management Ltd. is a Maltese MFSA-licensed full-scope AIFM, which is authorised to manage open-ended and close-ended AIFs and is also authorised to perform discretionary portfolio management services, to receive and transmit orders and to provide investment advice. Timberland Fund Management Ltd. passports its services to nearly all Member States. Timberland Invest Ltd. is licensed as MiFID-company to provide a number of services including the reception and transmission of orders, investment advice and placement of financial instruments without a firm commitment in respect of all financial instruments falling within the remit of Annex 1 to MiFID. Timberland Invest Ltd. passports its service to all Member States and to Norway, Island and Liechtenstein, all of which are countries of the European Economic Area.

E-Stream Energy GmbH & Co KG has access to Timberland companies that perform and have access to large parts of the investment chain for setup, administration, portfolio management and distribution to and of different legal structures like bond and share issuing, securitization, AIFs under AIFMD, investment structures (*Vermögensanlagen*) which are not subject to AIFMD and UCITS.

As of today, Mr Kraemer serves as member of the board of directors of Timberland Securities plc (Malta), Timberland Securities SPC and Timberland Securities II SPC (Cayman Islands), and Timberland Securities S.A. and Timberland Investment S.A. (Luxembourg), all of which are securitisation companies.

He also serves as member of the board of directors of additional financial and non-financial entities. Furthermore, he serves inter alia as a member of the board of directors of (i) Timberland Management GmbH, which is a General Partner to inter alia Timberland Finance GmbH & Co KG and its branch in Hungary as well Timberland Finance International GmbH & Co KG and its branch in Hungary and (ii) E-Stream Energy Management GmbH, which is a General Partner to E-Stream Energy GmbH & Co KG.

## 1.6. Organizational Structure

As of the date of this Base Prospectus, the shareholder (Limited Partner/ *Kommanditist*) of the Issuer is Mr Thomas Kraemer, having its business address at the Issuer at Huettenallee 83, D-47800 Krefeld. The General Partner is E-Stream Energy Management GmbH, having its business address at the Issuer at Huettenallee 83, D-47800 Krefeld.

## 1.7. Principal Activities and Markets

### 1.7.1 Most important markets and market factors

The Company is active in the field of battery systems and develops technologies for a variety of storage solutions. The main area of activity of the Company is research and development as well as the intended (sub-) licensing, in future also the production of storage solutions for batteries on the basis of lithium-ion round cells ("**battery packaging**"). On the basis of this technology, energy storage systems (battery systems) are designed and developed as modules and as finished applications both for the mobile sector and for the stationary sector (home and industrial storage).

The Company's core business is to become the granting of (sub)licences for the use of the technologies, processes, systems ('**battery packages**') and applications ('**products**') developed by it or licensed by it, as well as their production and distribution. The Company plans to grant non-exclusive, long-term (sub-) licenses to interested manufacturers of battery storage systems to use the technologies, processes and systems.

### *E-Mobility*

E-mobility includes all vehicles that obtain most of their energy from the power grid, i.e. are externally rechargeable. This includes exclusively battery-electric vehicles (BEV), electric vehicles with a small combustion engine to extend the range (Range Extender, REEV) and hybrid vehicles (PHEV) that can be recharged on the power grid and in which both an electric motor and a combustion engine provide the drive (source: definition by the Federal Government. <https://www.bmu.de/themen/luft-laerm-verkehr/verkehr/elektromobilitaet/>). In addition to private motor vehicles and commercial vehicles (e.g. electric railways, city buses, delivery vehicles, etc.), this term also includes industrial trucks (e.g. forklifts, lift trucks or cleaning machines), Segways, e-bikes, electric motorcycles and other electrically powered vehicles.

The Company believes that both hybrid and purely electric drives will increasingly be used in the mobile sector in the future. The pressure on vehicle manufacturers to develop solutions in this area is

constantly increasing, both from the government and from consumers. In society's opinion, the reasons for this are the increasing scarcity of fossil fuels and the associated price increases, worldwide efforts to reduce CO<sub>2</sub> emissions from vehicles and the specifications for reducing nitrogen oxides and particulate matter, which are increasingly leading to driving bans in urban areas.

This development is primarily driven by government measures. In the EU countries, these are mainly legal requirements for the CO<sub>2</sub> emissions of vehicles. In 2009, an EU Regulation to reduce CO<sub>2</sub> emissions from new passenger cars entered into force, providing for a phased reduction of CO<sub>2</sub> emissions up to 95 g/km from 2020 (Article 1 of Regulation (EC) No 443/2009 of the European Parliament and of the Council of 23 April 2009 setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO<sub>2</sub> emissions from passenger cars and light commercial vehicles). In March 2019, the EU Parliament approved new targets for average CO<sub>2</sub> emissions from new cars and trucks in the EU to accelerate the transition to low-emission and zero-emission vehicles. The aim is to reduce average CO<sub>2</sub> emissions by 37.5% for new passenger cars and 31% for light commercial vehicles by 2030 compared with the figures for 2021 (see European Parliament Legislative Resolution of 27 June 2002 on the reduction of CO<sub>2</sub> emissions from road vehicles). European Parliament legislative resolution of 16 March 2019 on the proposal for a regulation of the European Parliament and of the Council setting emission performance standards for new passenger cars and light commercial vehicles as part of the Community's integrated approach to reduce CO<sub>2</sub> emissions from passenger cars and light commercial vehicles amending Regulation (EC) 715/2007 (recast) (COM(2017)0676 - C8-0395/2017 - 2017/0293(COD)) (COM(2017)0676 - C8-0395/2017 - 2017/0293(COD)).

Other countries regulate CO<sub>2</sub> emissions, among other things, by means of registration quotas for vehicles with internal combustion engines, such as those that apply in some conurbations in China (source: example Shanghai - high registration costs and allocation of registrations for vehicles with internal combustion engines via a lottery system, whereas free and immediate registration of "New Energy Vehicles": <http://www.chinadaily.com.cn/a/201904/03/WS5ca40d7da3104842260b41df.html>), or on tax concessions and privileges in road transport for electric vehicles such as in Norway (including concessions on road and parking charges, use of lanes reserved for buses and taxis (source: <https://elbil.no/english/norwegian-ev-policy/>)).

Events such as the so-called exhaust gas scandal, which became known in September 2015 and caused a number of manipulations by various car manufacturers to circumvent statutory limits for car exhaust gases, are also driving the growing market interest in e-mobility.

The manufacturers of automobiles and motorcycles are therefore increasingly investing in research into the further development of electric mobility (source: <https://graphics.reuters.com/AUTOS-INVESTMENT-ELECTRIC/010081ZB3HD/index.html>). This research is extensively funded by the Federal Government (source: <https://www.foerderinfo.bund.de/de/elektromobilitaet-190.php>). According to the Company's assessment, the most important goals of the industry are currently the reduction of manufacturing costs for traction batteries on the one hand and the increase of ranges and charging speeds on the other. A traction battery is the battery of an electric vehicle that serves as an energy source for the drive. A traction battery is composed of interconnected battery modules, which in turn consist of cells. Since these traction batteries are exposed to cyclic charging and discharging processes during their use, they use only rechargeable batteries (source: <https://www.elektromobilitaet.nrw/infos/e-auto/funktion-batterie/>).

Traction batteries lose capacity in the course of their use and can therefore not permanently meet the high requirements for power and energy density in battery-operated vehicles. However, they can still be used (so-called "**Second Life**"), e.g. in stationary storage applications. In society's estimation, volume and weight play a much smaller role here than in the vehicle, so that a larger number of battery cells can be used to achieve the same capacity. This allows the service life of used lithium-ion traction batteries to be extended and additional revenue to be generated. It also improves the ecobalance of

electric mobility (source: <https://www.ffe.de/publikationen/projektberichte/620-second-life-konzept-fuer-lithium-ionen-batterien-aus-elektrofahrzeugen>).

However, the Company believes that high acquisition costs, a lack of range and long charging times mean that the demand for vehicles with purely electric propulsion is still manageable at present. Above all, the range is an essential aspect for achieving the greatest possible user acceptance (source: ADAC brochure: "Elektromobilität - Informationen der ADAC Fahrzeugtechnik", [https://www.adac.de/\\_mmm/pdf/Broschüre%20Elektromobilität\\_308873.pdf](https://www.adac.de/_mmm/pdf/Broschüre%20Elektromobilität_308873.pdf)). One key to the acceptance of electromobility, in society's view, therefore, lies in high-performance, low-cost and safe batteries, since only with them can the necessary range of purely electric vehicles be achieved.

Electric mobility also includes the shipping sector. This sector is also increasingly subject to market restrictions aimed at reducing noise and exhaust emissions (source: <https://www.bmu.de/themen/luft-laerm-verkehr/verkehr/seeverkehr/>). For this reason, the Company believes that the market for maritime electromobility is also growing.

### ***Portable Applications***

Under the term portable applications, the Company has summarized the use of battery packs in wireless power tools as well as in wireless household and garden appliances. Batteries for electric wheelchairs or other mobility solutions for people with reduced mobility also fall into this category.

### ***Portable battery storage***

The Company refers to portable battery storage systems as storage systems that are designed for a regular change of installation location. These include, for example, mobile battery storage units for use on construction sites, at outdoor events, at camping sites or anywhere else where electricity is needed and no mains connection is available. Another conceivable area of application is the use as a mobile emergency power storage unit, which ensures the energy supply in the event of a power failure instead of conventional emergency power generators. In society's opinion, transportable applications therefore represent low-emission and energy-saving alternatives to the gasoline or diesel generators mainly used for these applications up to now.

In addition, there are a large number of potential mobile compact storage solutions (portable energy storage systems) that the Company believes can be used in the construction, caravanning and other sectors. According to the Company, this is an undeveloped market with only a few products based on lithium-ion battery storage and high energy content.

In the Company's opinion, the Company's technology is also ideally suited for use in such and other portable applications. This market, along with other markets, is the focus of development work.

### ***Stationary storage systems (e.g. for regenerative energies)***

In the stationary sector, energy storage systems based on battery systems will also become increasingly important according to the Company's assessment, above all due to the continued government promotion of renewable energies. The market for stationary storage (ESS) is expected to grow by 18% to 36% in the coming years (depending on market forecast) (source: <https://www.isi.fraunhofer.de/content/dam/isi/dokumente/cct/lib/Energiespeicher-Roadmap-Dezember-2017.pdf>). The Company believes that lithium-ion batteries will increasingly prevail over other electrochemical storage solutions, so that the Company expects the rapid further development of such systems. In the opinion of society as a whole, decentralised storage technologies are gaining in importance compared to large-scale centralised storage facilities such as pumped storage facilities.

The Renewable Energy Sources Act (*Gesetz über den Ausbau erneuerbarer Energien* (EEG)), which came into force in 2000, provides for state-guaranteed feed-in tariffs for decentralised energy

generation plants when electricity from renewable energy sources is fed into the grid of energy suppliers. However, these guaranteed remunerations will cease to apply after the respective plant has been in operation for 20 years, which will be the case for the first plants installed under the EEG from 1 January 2021. Accordingly, the grid operator is not obliged to purchase the electricity generated, nor is the system operator entitled to remuneration. In addition, the feed-in tariff per kilowatt hour (kWh) is significantly lower than the consumption price for electricity purchased from the electricity supplier. The Company therefore believes that it makes sense for the operators of decentralised plants to use the electricity generated as far as possible to cover their own needs. The Company believes that stationary storage systems will play an important role in this context in the future. They are also necessary to ensure a continuous energy supply in line with demand, as energy production from renewable sources is often subject to fluctuations.

With the help of stationary battery storage systems, the unavoidable daytime and seasonal fluctuations in power generation that occur when generating energy from fluctuating energy sources (e.g. wind, sun) can be compensated for just as much as load fluctuations due to variable use of the supraregional power supply (source: <https://www.bmbf.de/foerderungen/bekanntmachung-639.html>). Stationary battery storage systems thus also serve to stabilise the grid and provide uninterruptible power supply (UPS), e.g. for data centres (source: EnergyAgency NRW, "Energiespeicher - Innovative Technologien aus Nordrhein-Westfalen", p. 12, <https://broschueren.nordrheinwestfalendirekt.de/herunterladen/der/datei/cef-broschuere-energiespeicher-pdf/von/energiespeicher-innovative-technologien-aus-nrw/vom/energieagentur/1603+&cd=4&hl=de&ct=clnk&gl=de>). The Company also believes that stationary battery storage systems will enable the intermediate storage of electrical energy to enable electricity trading on exchanges.

In the Company's view, another important area of application for stationary battery storage could be the power supply of charging stations for electric vehicles in the future. The inadequately developed infrastructure to date, in particular the still incomplete network of charging stations, has a negative effect on demand. The charging infrastructure is a key factor for the rapid spread of electric mobility (source: <http://www.eu-info.de/dpa-europaticker/286868.html>). In society's view, the use of decentralised energy storage systems (stationary or transportable) can significantly increase the efficiency and availability of the charging infrastructure without overloading the power grids, e.g. during peak periods. The Company also believes that the use of decentralized energy storage systems at charging stations can significantly reduce investment costs compared with the expansion of grid-side supply.

The Company also believes that telephone masts in remote areas could in future be supplied with electricity via stationary battery storage systems.

### ***Development and drivers of the battery market***

The battery market, in particular the submarket for rechargeable batteries (also called secondary cells - in contrast to primary cells that cannot be recharged or can only be recharged to a very limited extent (source: <https://de.wikipedia.org/wiki/Akkumulator>), is currently experiencing strong global growth (source: <https://www.pv-magazine.de/2018/05/24/studie-batteriemarkt-waechst-bis-2025-auf-90-milliarden-us-dollar/>). Because fossil/primary energy reserves will not be sufficient in the long term and because aspects of environmental protection are also playing an increasingly important role, new concepts are currently being developed worldwide for the intermediate storage of energy in the mobile and stationary sectors.

According to the Company, a key driver for the growth of the battery market is increasing electrification: more and more devices that were not previously powered by electricity or not at all are being equipped with electric drives. According to society's assessment, the development towards so-called "Industry 4.0", i.e. the intelligent networking of machines and processes in industry with the aid of information and communication technology, also plays a significant role.

Another important driver for the development of the battery market, in the Company's view, is increased environmental awareness and the resulting government measures to reduce CO2 emissions. In October 2014, the European Council adopted a framework for climate and energy policy by 2030 to meet the long-term objective of reducing EU greenhouse gas emissions by 80% to 95% by 2050 in the most cost-effective way possible. Within this framework, the following objectives are anchored: a binding reduction of greenhouse gas emissions within the EU by at least 40% by 2030 compared with 1990 emissions, a binding increase in the share of renewable energies in total final energy consumption to at least 27% and an increase in energy efficiency by at least 27% compared with a development without further efficiency efforts (source: [https://ec.europa.eu/clima/policies/strategies/2030\\_en](https://ec.europa.eu/clima/policies/strategies/2030_en)).

In the passenger car sector, an EU Regulation to reduce CO2 emissions from new passenger cars entered into force in 2009, providing for a phased reduction of CO2 emissions up to 95 g/km from 2020 (source: Article 1 of Regulation (EC) No 443/2009 of the European Parliament and of the Council of 23 April 2009 setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO2 emissions from passenger cars and light commercial vehicles). In March 2019, the EU Parliament approved new targets for average CO2 emissions from new cars and trucks in the EU to accelerate the transition to low-emission and zero-emission vehicles. The aim is to reduce average CO2 emissions by 37.5% for new passenger cars and 31% for light commercial vehicles by 2030 compared with the figures for 2021 (source: Legislative Resolution of the European Parliament of 27 June 2002). European Parliament legislative resolution of 16 March 2019 on the proposal for a regulation of the European Parliament and of the Council setting emission performance standards for new passenger cars and light commercial vehicles as part of the Community's integrated approach to reduce CO2 emissions from passenger cars and light commercial vehicles amending Regulation (EC) 715/2007 (recast) (COM(2017)0676 - C8-0395/2017 - 2017/0293(COD)) (COM(2017)0676 - C8-0395/2017 - 2017/0293(COD)).

### ***Breakthrough of renewable energies in the German energy mix***

According to the results of the Energy Balances Working Group, renewable energies accounted for 25.9% of total German energy production in 2014, of which 5.8% was attributable to photovoltaics. Renewable energies have meanwhile replaced lignite as the main source of energy in the energy mix. (Source: [https://ag-energiebilanzen.de/#20181214\\_brd\\_stromerzeugung1990-2018](https://ag-energiebilanzen.de/#20181214_brd_stromerzeugung1990-2018) , Stromerzeugung nach Energieträgern 1990 - 2018 (Status March 2019) as well as "Share of renewable energy in gross final energy consumption is rising strongly: [https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/uba\\_hgp\\_eeinzahlen\\_2019\\_bf.pdf](https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/uba_hgp_eeinzahlen_2019_bf.pdf)).

In the last 5 years, the share of renewable energies in photovoltaics in Germany has been as follows according to the Energy Balances Working Group:

year	Billion kWh	Share of gross electricity generation production in Germany (in %)
2014:	36,1	5,8
2015:	38,7	6,0
2016:	38,1	5,9
2017:	39,4	6,0
2018:	46,2	7,1

(Source:

[https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/uba\\_hgp\\_eeinzahlen\\_2019\\_bf.pdf](https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/uba_hgp_eeinzahlen_2019_bf.pdf))

As a result of the successive reduction or elimination of feed-in tariffs for self-produced electricity from renewable energies, the Company believes that lithium-ion-based battery storage is a technical solution that will lead to a further sharp increase in the number of new systems in a large number of countries (although these are at different stages of promoting energy system transformation).

## 1.7.2 Main areas of activity

The Company is active in the field of research and development and – planned – the production of battery systems. Its focus is on the research and development of packaging solutions for batteries based on lithium-ion round cells. On the basis of this technology, energy storage systems (battery systems) are designed and developed as modules and as finished applications both for the mobile sector and for the stationary sector (home and industrial storage). For this purpose, the Company maintains its own research and development department. There are nine employees working in the Company. The research and development department is divided into (i) research and pre-series development and (ii) series development. The tasks of the research and pre-series development department are to research advanced battery package technologies using state-of-the-art technology (e.g. climate chamber, highly sensitive thermal imaging camera, measurement and test methods, materials technology, connection technologies, etc.) and to manufacture pre-series products (battery packages and battery system applications). Series development is responsible for series development from pre-series products, certification, planning of the production process and selection of suitable contractors (subcontractors in connection with production).

In addition, the Company holds participations in private limited partnerships ("KG funds") in its own name and for its own account as part of the management of its own assets as long term investments.

In addition to the ongoing further development of the technology, the Company plans to produce the battery systems developed at its existing site in Mönchengladbach and to sell these products in various markets.

For this purpose, the Company has been granted exclusive, indefinite term and non-cancellable license by licenses for the use of battery bonding techniques.

The Company's activities also include the planned sublicensing of some of the technology licenses granted to the Company. The core components of the battery systems produced are also to be sold to these sub-licensees. Licensees and thus customers of the Company are expected to be manufacturers of battery systems for stationary and mobile applications and suppliers of manufacturers of e-mobility applications (vehicle manufacturers, etc.). The licensing of the various licensors patent-pending technologies, particularly in the field of contacting, thermal management and packaging of lithium-ion round cells, will be part of this.

This is a non-exclusive cooperation between various licensors and the Company. The Company is free to develop and patent technologies in parallel with any licensor. The same applies to the licensors.

The Company is currently establishing technical sales activities with a view to developing battery systems (battery packages) and battery system applications (e.g. energy storage systems for mobile and stationary applications) to series maturity and series production. In addition to sales via distributors (electrical, wholesale and specialist dealers, DIY chains, application manufacturers and distributors, e.g. in the caravaning sector, other wholesalers and retailers as well as in direct sales), the Company intends to build up sales activities.

### *Technical overview*

A battery consists of several interconnected battery modules. Depending on the requirements of the specific application, in particular with regard to voltage level and necessary storage capacity, a corresponding number of battery modules are electrically connected in parallel and in series. The modules in turn consist of an interconnection of several cells. This structure of a battery consisting of individual cells is called "packaging". Packaging is regarded as one of the most important key technologies for the everyday implementation of the storage of electrical energy. The most important objectives of research in this area are therefore to increase storage capacity, performance, safety and service life.

Lithium ion cells are usually used as the basic component of most commercially available batteries. These cells are the most powerful currently available on the market; they are characterized by high energy density, long service life and guarantee a wide range of charging cycles<sup>9</sup>. The Fraunhofer Institute for Systems and Innovation Research (ISI) estimates that lithium-ion batteries will dominate demand within battery technologies by 2025 at the latest.<sup>10</sup>

There are three main types of lithium ion cells: cylindrical cells, prismatic cells and pouch cells - the latter are also known as coffee bag cells. The cylindrical cell, also known as the round cell, is currently the most widely used cell format because it is relatively inexpensive, easy to manufacture and mechanically very stable. In addition, the cylindrical design achieves one of the highest energy densities compared to other forms. According to a publicly accessible study by the Fraunhofer Institute, the particularly high potential of cylindrical formats (18650 and 21700) is pointed out. Disadvantages are a lower heat dissipation and, compared to other designs, the more difficult packaging and handling of a larger number of individual cells. The technology applied for a patent by licensors is intended to eliminate these disadvantages as far as possible.

The manufacturers' agreement on uniform geometric dimensions of the round cells enables the Company to choose from different suppliers and thus, in the opinion of the Company, creates security of supply. The increased supply and the resulting competition among manufacturers have led to a significant reduction in costs. The use of these battery cells is thus becoming increasingly economical overall.

### ***The technology***

The key technology of the Company is a specially developed battery packaging system using round cells. The Company's technology is based on a modular design. It allows free scalability of the battery modules with regard to electrical and geometric parameters and has the option of variable shaping. The resulting technological flexibility at the module, pack and system level enables the Company to create optimized battery solutions tailored to the product specifications of each customer. The storage systems developed on the basis of the Company's technology can thus be used in a wide range of applications, from small batteries for portable applications to a wide variety of battery systems for mobile use and stationary large storage systems.

According to the Company, the Company's battery storage units are characterized by their compactness and low weight, and therefore have a high volumetric and gravimetric energy density.

Another advantage of the technology developed by the Company, according to the Company, is that the battery is relatively easy to assemble and that only manual connection techniques are used. This enables worldwide assembly and repair of batteries as well as replacement of individual cells within a battery. According to the Company, the possibility of exchanging technologically outdated cells for more advanced ones without great effort creates investment security for the industrial user and is therefore a decisive factor for investment decisions of industrial customers according to the Company's assessment. In addition, the Company believes that the development-related risk of industrial customers is significantly reduced by the use of round cells and the associated flexibility in the selection of cell types, cell formats and cell manufacturers.

For the Company's licensees, the investment costs associated with the industrial production of battery modules or battery systems are, in the opinion of the Company, significantly lower than those of conventional systems which, for example, use semi-automatic or fully automatic welding systems. This results from the contact technology applied for patenting, which does not require a fixed connection of the cells within the battery packs, e.g. by welding or laser bonding, and thus reduces

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<sup>9</sup> (Source: Development perspectives for cell formats of lithium-ion batteries in electric mobility, Study 12/2017: [https://www.batterien.fraunhofer.de/content/dam/batterien/de/documents/Allianz\\_Battery\\_Cell\\_Formats\\_Study.pdf](https://www.batterien.fraunhofer.de/content/dam/batterien/de/documents/Allianz_Battery_Cell_Formats_Study.pdf))

<sup>10</sup> Source: <https://www.isi.fraunhofer.de/content/dam/isi/dokumente/cct/lib/Energiespeicher-Roadmap-Dezember-2017.pdf>

costs for work steps and machines in the production of battery packs according to the Company's assessment.

The Company's battery storage units have comprehensive security systems adapted to the respective application. Among other things, they are based on a combination of sensor technology and intelligent measurement, analysis and control algorithms as well as switch-off mechanisms. These ensure the determination of system states, the monitoring and control of safety-relevant parameters and system protection in the event of a fault. The special features of the safety concept include the electrical protection of each individual battery cell as an integral component of the battery module technology, algorithms for early detection of faults and monitoring of safety-critical parameters. Due to the implemented security mechanisms, the system failure rate is reduced and thus, according to the Company's assessment, a high level of reliability and resulting cost-effectiveness is achieved, making the Company's products particularly suitable for the sector of mobile and stationary industrial storage systems.

Depending on the application, the Company's battery storage units feature different variants of thermal management. The passive heat management inherent in the system reduces the temperature differences between the individual battery cells, thus preventing the formation of strong thermal asymmetries (so-called hotspots), thus ensuring uniform heat distribution within the battery module and significantly increasing the service life of the battery cells. Heat management provides both passive temperature control concepts (passive air, active air) and active temperature control concepts based on different fluids as means of heat transfer, which are used to cool or preheat the battery cells depending on the operating and ambient temperature. The Company's technology can significantly reduce the effort and thus the costs for the temperature control concepts mentioned. Thermal management increases the reliability and economy of the Company's products, as the battery cells are operated in a temperature window that is always safe from a system point of view and optimal for their service life. The battery storage units achieve a high volumetric (Wh/l) and gravimetric (Wh/kg) energy density, which means significantly shorter charging times.

The Company's products are equipped with a detachable cell connection technology, which, due to the simple assembly principle and a high degree of automation, allows fast and cost-effective production of battery storage devices for a wide variety of applications. The production of the Company's battery accumulators is characterized by simple scalability, which enables the continuous adjustment of the production quantities from individual prototypes to small (approx. 1,000 battery packs), medium (approx. 10,000 battery packs) or large series quantities (larger than 100,000 battery packs). This is an important factor, especially for the start-up phase of industrial production.

Due to non-destructive dismantling processes, the technology also offers the possibility of time- and cost-efficient maintenance and, if necessary, repair of the battery storage tanks. In addition, this makes it possible to use the battery cells in "second life" applications in other applications. All other system components can also be reused, e.g. by replacing the cells. The Company's technology thus offers the possibility of continuing to use cells from high-performance products in applications with lower requirements, while at the same time achieving the maximum service life for the application in question. At the same time, the battery can be upgraded to the latest technological standard by using new cells. In summary, the Company believes that the Company's technology will increase system reliability, product service life and thus profitability. By reusing the installed components, the Company's technology also promotes the ecological aspect of sustainability by saving energy and conserving natural resources.

In principle, the Company's technology allows the use of round cells of any cell format, any application (high energy or high capacity) as well as different cell chemistry in the battery storage systems. In the opinion of the Company, this offers the User a high degree of future security. A large number of manufacturers are available for these round cells, so that the Company, and thus also its licensees and customers, are not dependent on one or a few cell manufacturers.

### *Applications of E-Stream Energy's technology*

As application areas for Company's technology, the Company has primarily identified the areas of e-mobility and portable and stationary battery storage (including charging infrastructure for electric vehicles) as business areas.

#### **1.7.3 E-Mobility in general**

E-mobility refers to the use of electric vehicles, i.e. vehicles of all types that use an electric drive and carry an energy storage device. In addition to private motor vehicles and commercial vehicles (e.g. electric railways, city buses, delivery vehicles, etc.), this term also includes industrial trucks (e.g. forklifts, lift trucks or cleaning machines), Segways, e-bikes, electric motorcycles and other electrically powered vehicles.

The degree of electrification can vary, so a distinction is made between hybrid drives, i.e. vehicles powered by at least two forms of energy, e.g. petrol and electricity, on the one hand and purely electric drives on the other. According to the Company, both hybrid and purely electric drives will increasingly be used in the mobile sector in the future in view of global efforts to reduce CO<sub>2</sub> emissions from vehicles and the requirements for reducing nitrogen oxides and particulate matter.

Electric mobility also includes the shipping sector. This sector is also increasingly subject to market restrictions aimed at reducing noise and exhaust emissions. For this reason, the market for maritime electromobility is also growing.

#### **Portable Applications**

The Company's technology is also suitable for use in portable applications. Portable applications are primarily the use of battery packs in wireless power tools as well as in wireless household and garden appliances. Batteries for electric wheelchairs or other mobility solutions for people with reduced mobility also fall into this category. However, the market for portable applications is not currently the focus of the Company's development work.

#### **Portable Battery Storage**

Transportable battery storage systems are storage systems that are designed for a regular change of location. These include, for example, mobile battery storage units for use on construction sites, at outdoor events, at camping sites or anywhere else where electricity is needed and no mains connection is available. Another conceivable area of application is the use as a mobile emergency power storage unit, which ensures the energy supply in the event of a power failure instead of conventional emergency power generators.

#### **Stationary storage systems, e.g. for renewable energies**

With the help of stationary battery storage systems, the unavoidable daytime and seasonal fluctuations in power generation that occur when generating energy from fluctuating energy sources (e.g. wind, sun) can be compensated for just as much as load fluctuations due to variable use of the supraregional power supply. Stationary battery storage systems are also used for grid standardized and uninterruptible power supply (UPS), e.g. for data centres. The intermediate storage of electrical energy to enable electricity trading on exchanges is also made possible by stationary battery storage.

Another important field of application for stationary battery storage systems could be the power supply of charging stations for electric vehicles in the future. The Company believes that the inadequately developed infrastructure to date, in particular the still incomplete network of charging stations, has a negative effect on demand. The charging infrastructure is a key factor for the rapid spread of electric mobility. The use of standardized energy storage systems (stationary or transportable) can significantly

increase the efficiency and availability of the charging infrastructure without overloading the power grids, e.g. during peak traffic periods.

The Company's business plan provides for strategic objectives:

The Company intends to create modular products of increasing complexity and successively launch them on the market. This means that a battery pack for mobile applications standardized by the Company and a battery pack for stationary applications standardized by the Company are manufactured in an industrial form factor (19-inch rack format) and used in various applications. The product portfolio is to be successively built up and expanded, whereby a high degree of standardization is to be achieved. The aim is to create a particularly high quality and practical functionality of the end product in order to achieve a good customer response ("user experience"). In this context, "Made in Germany" is to be placed in the foreground as a quality feature, especially in the US market.

In the next two fiscal years, the main applications planned are mobile energy storage devices and 19-inch rack energy storage devices in modularly expandable form, which are to be rapidly certified and launched on the market. In addition, the battery storage technology in the e-mobility sector will be presented to industrial medium and large customers and its performance will be demonstrated in joint tests.

The Company assumes that the mobile energy storage units and 19-inch rack energy storage units will be launched on the market in the current 2019 financial year. As the Company has identified the USA and Europe as one of the important sales markets, the sensitivity analysis of the business plan to deviations from the most important assumptions involves risks due to a protectionist market access policy (customs duties, etc.) in the USA and energy policy dependencies (duration and speed of the energy turnaround, expiry of feed-in tariffs and expiry of purchase commitments by grid operators for locally generated electricity) in Europe in general and individual countries in particular.

In addition, account must be taken of:

- the extent to which the Company's business activities depend on certain key persons identified as such; key persons are research and development executives, namely Thomas Kraemer, Eugen Galwas, Frank Gronwald and, in the area of management, the managing directors of the General Partner, Dr. Marcus Albrecht, Dirk Koester and Thomas Kraemer
- current and expected competitors;

In the Battery Packages section:

Samsung SDI Co. Ltd Yongin, South Korea, LG Chem, Ltd., Seoul, South Korea, BMZ Batterien-Montage-Zentrum GmbH, Karlstein, Tesla Inc., Palo Alto, U.S.A. Kokam Co. Ltd. Siheung, South Korea, EnerDel Inc., Greenfield, IN, U.S.A., OBRIST Powertrain GmbH, Lustenau, Austria, a.o.

In the area of mobile applications:

ENERdan GmbH, Berlin, FSP Power Solution GmbH, Mönchengladbach, Polaroid (PLR IP Holdings, LLC), Minnetonka, MN, U.S.A. Goal Zero LLC Bluffdale, UT, U.S.A.

In the field of stationary battery systems:

Schneider Electric SE, Reuil-Malmaison, France, Aentron GmbH – Energy Solutions, Gilching, Akasol AG, Darmstadt, FSP Power Solution GmbH, Mönchengladbach, Olipower Energy & Automation Technology Co., Ltd, Shenzhen, China, Hunterhex AB & (Ltd's), Kista, Sweden, BSOL Batteriesysteme GmbH, Düsseldorf, Keatec Energy Inc, Surrey, BC, Canada, INVENOX GmbH, Garching, commeo GmbH, Wallenhorst, Tesvolt GmbH, Wittenberg, ads- tec Energy GmbH, Nürtingen, Eaton Corporation plc, Dublin, Ireland. In the area of storage technologies other than lithium batteries in industrial applications: Schmid Group Gebr. SCHMID GmbH, Freudenstadt among other things

- Dependence on a limited number of customers or suppliers; There is no dependence on a limited number of customers or suppliers.
- Indication of assets required for production that do not belong to the Company. The Company uses selective finance leasing (including sale and lease back/sale and rent back) to acquire machinery, whereby at the end of the term a possible takeover of the machinery is negotiated with the respective financing leasing company. The majority of the machines are owned and operated by the Company and are therefore part of its fixed assets.

## 1.8. Corporate Strategy

### *Achieving strong growth*

The Company intends to benefit from the strong dynamics in (i) the electrification of drive technology in the automotive industry (emobility), (ii) in the area of stationary energy storage systems based on modular systems for use in the home and industrial sector, including in the area of uninterruptible power supply (UPS) for data centres, and (iii) in the area of mobile and hybrid systems on the basis of the product portfolio it is aiming for, and to win new customers in the process.

Based on the degree of complexity of the different sub-areas as well as the requirements for certification in the automotive sector, cooperation with other suppliers is intended, so that offering solutions (know-how and IP, if applicable) as well as sub-components on the basis of own solutions can be considered.

A further objective of the Company is to build up product manufacturing capacity in Germany and, depending on various factors, in Hungary as well as to enter the market, particularly in Europe, the United States of America and Canada, and possibly Japan, which should increase demand for products. The Company will endeavour to continuously increase the attractiveness of the Company for highly qualified research and development personnel (Human Resources Strategy) in order to accompany the targeted growth process with personnel.

The Company assumes that increasingly high-margin industrial applications can be realised through substitution effects (replacement of lead-acid battery systems by its own Li-ion battery systems). According to the Company, application examples for this include stationary applications in data centres and other business-critical applications. According to the Company, initially higher customer investments in future Li-ion battery systems should pay off in favour of the customers within the scope of the Total Cost of Ownership (TCO) consideration through longer product life and reduced maintenance costs.

### *Development of the US and European markets, evaluation of further markets*

The Company is currently taking preparatory steps to enter the US and European markets. Part of the proceeds from this Offer will be used to establish the Company's presence in North America. The Company expects similarly favourable electrification trends and market developments in the USA as in Europe. The Company is also evaluating other markets such as Japan.

### *Research and development and intended expansion of the market through acquisition of new components and products*

The Company intends to further advance research and development, divided into (i) battery packs and (ii) specific applications (applications) based thereon.

This includes in particular current efforts to build up and expand its product portfolio in the field of **battery packs** with standardised modular battery packs (24 Volt and 48 Volt systems) which, among other things, are to be used in standardised dimensions (19 inch rack) for stationary energy storage

systems with applications in the home and industrial sector including in the field of uninterruptible power supply (UPS) for data centres (each capable of high voltages up to approx. 800 Volt) as well as in the field of mobile and hybrid systems (portable and transportable solutions which can also be used as stationary modules by means of extension modules) as well as in the field of **applications** with

- modular directly usable energy storage units as 19 inch rack with up to approx. 800 V (high-voltage capable) as well as 110-380 V on application side
- and mobile and hybrid systems (portable or transportable solutions, which can also be used as stationary modules by means of extension modules), e.g. in the caravanning and home sectors.

The standardization of battery packs is intended to increase vertical integration, i.e. the use of these standardized battery packs in a wide variety of applications and in areas with value creation potential.

In the various end markets in which the Company plans to operate, it also intends to achieve market shares by acquiring new products and components. The aim is to enter the market as quickly as possible with high-quality battery packs, whereby individual components are purchased for applications in line with industry practice (e.g. in the area of inverters, etc., including white labeling if necessary).

#### ***Pursuing growth opportunities through targeted acquisitions***

The Company endeavours to achieve its planned growth also through acquisitions, provided these are strategically sensible. The Company intends to continuously improve its project management and its competencies, while at the same time expanding its market potential. Targeted acquisitions, particularly in Germany, Hungary, Western Europe and the USA, are also expected to play a part in this. According to the Company, this could improve the future market position through increased economies of scale in sales, marketing, procurement and production. The Company aims to establish a solid market position in the "Battery Systems" segment both in Europe and in the USA in order to become one of the leading suppliers of battery systems. In particular, the Company sees a good opportunity to achieve a strong and attractive market position in the currently still highly fragmented markets in Europe and the USA.

In addition, the Company intends to expand its business through selective acquisitions of companies focusing on related businesses. Areas or possibly companies operating in business areas which are complementary to those of the Company, such as metalworking or manufacturers of compatible electronic components, may become potential targets of strategic partnerships and investments, including the acquisition of majority interests.

#### ***(Sub-) licensing of technologies and processes in the field of e-mobility***

The Company intends to achieve certification as a supplier, e.g. for automobile manufacturers ("OEM"), in submarkets which it does not directly serve itself, also taking into account the time required for this, instead to (sub-) license its technologies and processes and to enter into cooperations (including contract production) in order to achieve the fastest possible and broadest possible market penetration in mass markets.

#### ***Development of safety components for lithium-ion battery storage for e-mobility***

In the field of e-mobility, vehicle manufacturers (OEMs) are faced with completely new requirements with regard to product safety in comparison to classic powertrain systems through the use of high-voltage systems. Against this background, the Company intends to improve product safety through special solutions to avoid and, where not otherwise possible, through the controlled destruction of battery systems and to develop and offer further solutions in addition to the existing solutions.

### **1.9. Competitive strengths**

In the opinion of the Company, its competitive strengths lie in the following areas:

***Efficient management with many years of experience***

At its location in Mönchengladbach, the Company has a management team with many years of experience in the field of energy storage systems, portable and transportable battery storage as well as e-mobility with a good network in the market. At the same time, the Company believes that a lean and efficient team enables it to react quickly to new market opportunities and trends and to position itself on the market in the long term.

***Diversified business model***

In its assessment, the Company will have a diversified business model with three intended pillars in the planned business segments "Stationary Energy Storage Systems", "Portable and Transportable Battery Storage Systems" and "E-Mobility" – and thus three different sub-segments of the energy storage market, some of which are subject to other influencing factors. The area of e-mobility, which has special barriers to market entry, can thus profit successively from the other two sub-areas. There will be considerable synergy potential between the three business segments, for example in the areas of purchasing, financing, development and sales, e.g. through the modular design on the basis of standardized battery packs defined by the Company, in which the essential components lithium-ion round cells and contacting technology are identical or very similar. In the opinion of the Company, this sets the Company apart from other companies that are exclusively focused on individual sub-areas.

***Fast charging times of the battery packs***

The market acceptance of battery storage systems in e-mobility depends not least not only on the range, which is achieved depending on the mobile application (e.g. vehicle) and the installed capacity, but also on the charging time. Very long charging times in some cases are detrimental to sales, especially of purely electric but also hybrid vehicles/applications. The Company was able to realize leading loading times in the market through test institutes (TÜV Rheinland, Technolab) during the development according to its assessment (Sources: TÜV Rheinland and Technolab test reports, each dated 4 April 2019).

***Innovative and powerful products***

Until now, it has been difficult for industry to manufacture high-power and high-capacity battery packs on the basis of lithium ion round cells, since high packing densities of the battery cells always generate heat during high charging or discharging for physical reasons, which is detrimental to the battery cells' service life (charging cycles) and which is one of the causes, particularly in the field of e-mobility, for the important factors of charging duration, range and constant availability. According to its own assessment, the Company has realised technically sophisticated energy packs with very high energy (both volumetric and gravimetric) using the latest technology. The temperature management, which was difficult with high packing densities, was successfully implemented by the technology according to the Company's own assessment. In the view of the Company, the battery packs are very energy efficient and high performance battery packs compared to competitors in terms of energy density and compactness measured by the volumetric and gravimetric energy of the battery packs. Even under very high requirements (high charging and discharging rates), good technical properties could be achieved, i.e. a high homogeneous temperature distribution without significant hotspots (small temperature differences over the entire battery pack) with simultaneous temperature in the permissible operating range and constant availability (i.e. usability without reduction of charging and discharging rates) of the battery packs, which were confirmed by external test institutes during development. The result is a high system availability and reliability, which is also low-maintenance. As a result, it can be summarised that high charging rates, i.e. short charging times, high range due to very high energy density (use of available installation space) and constant availability even under high loads are achieved by means of the battery packs of the emitter transferred to an e-mobility application (e.g.

vehicle). In her opinion, the Company's solution for e-mobility applications is better and simpler than competitor solutions.

### ***Recycling und 2nd Life***

Adequate recycling is not only an important aspect within the framework of the ecological balance of the product over its entire service life, but is also decisive for the cost-effective reuse or recycling of the battery cells. In its opinion, the Company has a technology that is particularly geared to this and represents a significantly better and simpler solution than available systems on the market.

## **2. MATERIAL CONTRACTS**

*Material contracts of the Company within the normal course of business that exist today include these contracts:*

### *Agreements in respect of Timberland Securities Investment plc's group*

The Company has been provided loans amounting to €6,659,181 by Timberland Securities Investment plc. In connection with the latter, E-Stream Energy GmbH & Co KG has entered into loan agreements with the respective related parties which stipulate repayment and interest terms.

## **3. AGENTS**

### **3.1. Paying Agents**

- 3.1.1. Under a paying agency agreement between the Issuer and Baader Bank AG, a public limited liability company incorporated and existing under the laws of Germany, under the supervision of the BaFin, having its head office in Weißenstephaner Straße 4, 85716 Unterschleißheim, Germany, registered with the Munich registry of companies under number HRB 121537 (the **Paying Agent**), the Paying Agent may be appointed as principal paying agent for one or more series of bearer notes from time to time beside other paying agent(s) in regard to other series of bearer notes.

The Paying Agent will carry out the tasks set out in the paying agency agreement, including the provision of customary banking services to the Issuer with respect to the Notes issued by the Issuer (except for the registrar and transfer agent services with regard to the registered Notes, which are performed by the registrar and transfer agent(s) (as defined below)).

The Paying Agent has an interest in the offer of the bearer Notes and will receive a remuneration of approximately EUR 8,000 per annum.

The Issuer is free to conclude in future one or more paying agency agreements with one or more paying agents for one or more issued Notes.

- 3.1.2. Under a paying agency agreement between the Issuer and FinTech Group Bank AG, a public limited liability company incorporated and existing under the laws of Germany, under the supervision of the BaFin, having its head office in Rotfeder-Ring 7, 60327 Frankfurt am Main, Germany, registered with the Frankfurt am Main registry of companies under number HRB 105687 (the **Paying Agent**), the Paying Agent may be appointed as principal paying agent for one or more series of bearer notes from time to time beside other paying agent(s) in regard to other series of bearer notes.

The Paying Agent will carry out the tasks set out in the paying agency agreement, including the provision of customary banking services to the Issuer with respect to the Notes issued by the Issuer (except for the registrar and transfer agent services with regard to the registered Notes, which are performed by the registrar and transfer agent(s) (as defined below)).

The Paying Agent has an interest in the offer of the bearer Notes and will receive a remuneration of approximately EUR 8,000 per annum.

The Issuer is free to conclude in future one or more paying agency agreements with one or more paying agents for one or more issued Notes.

### **3.2. Registrar and Transfer Agents**

E-Stream Energy GmbH & Co KG is free to perform the function of the register and transfer agent itself or appoint one or more other registrar and transfer agents for one or more issued Notes.

Under a registrar and transfer agreement between the Issuer and Alter Domus Fund Services (Malta) Limited, a private limited liability company incorporated and existing under the laws of Malta, having its registered office at Vision Exchange Building, Territorials Street, Mriehel BKR 3000, Malta, registered with the Companies Register of Malta under number C52740 (**Alter Domus**), Alter Domus is appointed by the Issuer as registrar and transfer agent in respect of the registered Notes.

Alter Domus is regulated by the MFSA and is authorised to provide, inter alia, fund administration services in accordance with the Investment Services Act (Cap. 370 of the laws of Malta). Alter Domus acts as administrator to various other collective investment schemes licensed in Malta.

E-Stream Energy GmbH & Co KG, in its role as registrar and transfer agent, and Alter Domus are both authorised to have its tasks performed by suitable third parties.

Alter Domus has an interest in the offer of the registered Notes and will receive a remuneration of up to EUR 12,000 per annum (based on 1,000 registers) and EUR 1 for any additional register.

In case of fixed rate registered Notes issued in dematerialised form, the Malta Stock Exchange (**MSE**) having its office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta functions as registrar and transfer agent (in the sense of the Terms and Conditions of Option V). The MSA and the Issuer do not have concluded any agreement with respect to the role and functions of MSE. Furthermore, MSA has no interest in the offer of the registered Notes issued in dematerialised form and will not receive a remuneration for the services performed and executed.

The Issuer is free to conclude in future one or more registrar and transfer agreement(s) with one or more registrar and transfer agents for one or more issued Notes.

### **3.3. Fiscal Agents**

Based on a fiscal agency agreement the Issuer has concluded with Timberland Invest Ltd., which is a private limited liability company incorporated and existing under the laws of Malta, under the supervision of the MFSA, with registered office at 171, Old Bakery Street, Valletta VLT 1455, Malta, having its Head Office in Aragon House, St. George's Park, St. Julian's STJ 3140, Malta, registered with the Maltese registry of companies under number C60291 (the **Fiscal Agent**), the Fiscal Agent, as far as the appointment of a fiscal agent is mandatory in any Public Offer Jurisdictions, performs customary fiscal agency services in respect of the Notes.

Under the fiscal agency agreement, the Fiscal Agent will carry out the customary tasks set out in the fiscal agency agreement.

The Fiscal Agent has an interest in the offer of the Notes and will receive in respect of each issuance of Notes a remuneration of EUR 2,500 plus costs and expenses occurred by third parties (tax advisors a.o.) in the relevant Public Offer Jurisdictions.

The Issuer is free to conclude in future one or more fiscal agency agreements with one or more fiscal agents.

### 3.4. Listing Agents

- 3.4.1. The Issuer has concluded a listing agency agreement with Baader Bank AG, a public limited liability company incorporated and existing under the laws of Germany, under the supervision of the BaFin, having its head office in Weißenstephaner Straße 4, 85716 Unterschleißheim, Germany, registered with the Munich registry of companies under number HRB 121537 (**Baader Bank**), acting as listing agent of the Issuer for the application that may be made to the the LuxSE's Euro MTF market and/or the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange market and/or the Open Market (*Freiverkehr*) of the Munich Stock Exchange market and/or the Open Market (*Freiverkehr*) of the Stuttgart Stock Exchange market (together, the **Open Markets**) and/or the MTF (*Dritter Markt*) (the **Dritter Markt**) of the Vienna Stock Exchange.

Under the listing agency agreement, Baader Bank will ensure the listing of the bearer Notes with the before mentioned markets/exchanges.

Baader Bank has an interest in the offer of the Notes and will receive a remuneration equivalent to an amount of up to EUR 8,000 per each issuance of bearer Note and a onetime remuneration of EUR 1,500.

- 3.4.2. The Issuer intends to conclude a listing agency agreement with ICF Bank AG, a public limited liability company incorporated and existing under the laws of Germany, under the supervision of the BaFin, having its head office in Kaiserstraße 1, 60311 Frankfurt am Main, Germany, registered with the Frankfurt am Main registry of companies under number HRB 43755 (**ICF Bank**), acting as listing agent of the Issuer for the application that may be made to the Frankfurt Stock Exchange for the bearer Notes to be listed and/or on the Open Markets or the Dritter Markt, respectively.

Under the intended listing agency agreement, the ICF Bank shall ensure the listing of the bearer Notes with the before mentioned markets/exchanges. ICF Bank will have an interest in the offer of the Notes and will receive a remuneration equivalent to an amount of up to EUR 5,000 per each issuance of bearer Note.

- 3.4.3. The Issuer has concluded a listing agency agreement with Timberland Capital Management GmbH, a private limited liability company incorporated and existing under the laws of Germany, under the supervision of the BaFin, having its head office in Hüttenallee 137, 47800 Krefeld, Germany, registered with the Duisburg registry of companies under number HRB 7204 (**Timberland Capital Management**), acting as listing agent of the Issuer for the application that may be made to the Dritter Markt.

Under the listing agency agreement, Timberland Capital Management will ensure the listing of the register and/or the bearer Notes with the before mentioned market/exchange. Timberland Capital Management may use third parties in order to fulfil its scope of business and its agent role.

Timberland Capital Management has an interest in the offer of the Notes and will receive a remuneration equivalent to an amount of up to EUR 8,000 per each issuance of bearer Note and a onetime remuneration of EUR 1,500.

The Issuer is free to conclude in future one or more listing agency agreements with one or more listing agents for the before mentioned listings.

### 3.5. Collecting and Account Banks

- 3.5.1. The Issuer has appointed Commerzbank AG, a public limited company (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, having its registered office at Kaiserplatz, 60311 Frankfurt am Main, Germany, and registered in the trade register of Frankfurt/Main

under number HRB 32000 as collecting bank and account bank (a **Collecting Bank** and/or a **German Account Bank**).

The Collecting Bank will receive (i) subscription monies from the registered Notes and bearer Notes from the relevant investors which pay the issue price in Euro and (ii) any subscription monies in a currency other than Euro from the Notes from the relevant local branches and subsidiaries or correspondent banks of the Collecting Bank in the relevant jurisdictions. The Collecting Bank will immediately convert the subscription monies (as mentioned under (ii) above) into a Euro amount taking into consideration the applicable spot rate.

The Collecting Bank/German Account Bank has an interest in the offer of the Notes and will receive a remuneration of approximately EUR 650 per annum and market standard payment fees.

- 3.5.2. The Issuer has appointed Volksbank Niederrhein e.G., a cooperative company incorporated under the laws of Germany, having its registered office at Lindenallee 11-15, D-46519 Alpen, and registered in the trade register of Kleve under number 136 as account bank (a Collecting Bank and/or a German Account Bank).

The Maltese Account Bank will receive subscription monies (as mentioned under (a) above) from the registered Notes and bearer Notes from the relevant investors which pay the issue in Euro.

The Collecting Bank/German Account Bank has an interest in the offer of the Notes and will receive a remuneration of approximately EUR 650 per annum and market standard payment fees.

### **3.6. Distribution Agents**

- 3.6.1. The Issuer has concluded a distribution agency agreement with Timberland Invest Ltd., a private limited liability company incorporated and existing under the laws of Malta, under the supervision of the MFSA, with registered office at 171, Old Bakery Street, Valletta VLT 1455, Malta, having its head office in Aragon House, St. George's Park, St. Julian's STJ 3140, Malta, registered with the Maltese registry of companies under number C60291 (**Timberland Invest**), acting as distribution agent of the Issuer in respect of the Notes.

Under the distribution agency agreement, Timberland Invest and its sales partners and sub-sales partners will ensure the offering and distribution of the Notes in the Public Offer Jurisdictions. Timberland Invest undertakes to use best efforts to offer and distribute the Notes in the Public Offer Jurisdictions in accordance with the relevant selling restrictions and applicable law.

Timberland Invest has an interest in the offer of the Notes and will receive in respect of each subscribed Note a remuneration equivalent to an amount of up to 15 per cent. of the issued Notes.

- 3.6.2. The Issuer has concluded furthermore a distribution agency agreement with Timberland Capital Management acting as distribution agent of the Issuer in respect of the Notes.

Under the distribution agency agreement, Timberland Capital Management and its sales partners and sub-sales partners will ensure the offering and distribution of the Notes in certain Public Offer Jurisdictions. Timberland Capital Management undertakes to use best efforts to offer and distribute the Notes in certain Public Offer Jurisdiction in accordance with the relevant selling restrictions and applicable law.

Timberland Capital Management has an interest in the offer of the Notes and will receive a remuneration equivalent to an amount of up to 15 per cent. of the issued Notes.

## **DESCRIPTION OF TIMBERLAND SECURITIES INVESTMENT PLC (THE GUARANTOR) AND ITS BUSINESS ACTIVITIES**

### **1.1 History and Development of the Guarantor**

The Guarantor was registered in Malta for an indefinite duration on 30 January 2015 under the name Timberland Securities Investment Ltd, a private limited liability company incorporated in terms of the Companies Act (Cap. 386 of the Laws of Malta). On 19 April 2016, the Guarantor changed its status to a public limited liability company, as a result of which, the name of the Guarantor was changed to Timberland Securities Investment plc.

### **1.2 Additional Information about the Guarantor**

Full legal and commercial name:	Timberland Securities Investment plc
Company registration number:	C-68856
Registered address:	171, Old Bakery Street, Valletta VLT 1455
Office:	Aragon House, St. George's Park, St. Julian's STJ 3140, Malta
Place of registration and domicile:	Malta
Telephone number:	+356-209081-00
Fax number:	+356-209081-50
Email:	info@timberland-investment.com

As at the date of this Base Prospectus, the Guarantor has an authorised share capital of EUR 50,000 divided into 49,999 ordinary A shares and 1 ordinary B share of one (1) Euro each. The issued share capital of the Guarantor is of EUR 50,000 divided into 49,999 ordinary A shares and 1 ordinary B share of one (1) Euro each. The Guarantor is a subsidiary of Timberland Holding II Ltd, Malta, incorporated under the laws of Malta.

### **1.3 Selected Financial Information**

The audited Report and Financial Statements of the Guarantor for the financial period from 1 January 2017 to 31 December 2017 and the audited Report and Financial Statements of the Guarantor for the financial period from 1 January 2018 to 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act, Cap. 386 of the Laws of Malta:

	<b>2018 (€)</b>
Non-Current assets	5,884,264
Current assets	2,595,254
Total Assets	8,479,518
Shareholder's Equity	1,070,876
Total Liabilities	7,408,642
Total Equity and Liabilities	8,479,518

The annual audited accounts for the financial period from 1 January 2017 to 31 December 2017:

	<b>2017 (€)</b>
Non-Current assets	2,603,972
Current assets	1,379,345
Total Assets	3,983,317
Shareholder's Equity	885,685
Total Liabilities	3,097,632
Total Equity and Liabilities	3,983,317

#### 1.4 Administration

In terms of the Guarantor's Memorandum of Association, the Guarantor's board of directors must consist, at all times, of a minimum of two directors and a maximum of five directors. As at the date of the publication of this Base Prospectus, the directors of the Guarantor are as follows:

##### *Dirk Koester*

Mr Koester has, since 2003, performed individual portfolio management, fund management and investment advisory services for Timberland Capital Management GmbH.

In particular, he performs the day-to-day portfolio management of the retail sub-fund, Timberland Top-Dividende International together with Mr Kraemer. Since 1999, Mr Koester has also worked for Timberland Service GmbH, Germany, which is a licensed financial service provider in Germany (section 34 lit. f of the German Trade, Commerce and Industry Regulation Act (*Gewerbeordnung*) whose services include the distribution of financial products, including the fund Timberland Top-Dividende International, to retail, professional and institutional investors as well as other financial service providers. In this regard, Mr Koester works on a day-to-day basis with the register and transfer agents of the said products.

In 2006, the fund Timberland Top-Dividende International was migrated to, and was set up as a sub-fund of, AHW SICAV (a new setup SICAV) with LRI Invest as UCITS Management Company. Mr Koester served as chairman (*Verwaltungsratsvorsitzender*) of the board of directors (*Verwaltungsrat*) of the said SICAV between 2006 and 2010. Timberland Capital Management GmbH and Timberland Service GmbH (both of which Mr Koester worked for in the capacities referenced above) were respectively appointed as portfolio manager and distribution agent/information agent to the said SICAV.

In August 2010, when the fund Timberland Top-Dividende International was migrated to, and became a sub-fund of, Timberland SICAV, Mr Koester was appointed as chairman of the board of the said company. In this instance, Timberland Capital Management GmbH and Timberland Service GmbH (both of which Mr Koester worked for in the capacities reference above) were also respectively appointed to perform day-to-day portfolio management and the functions of distribution agent/information agent to the SICAV.

In addition to the above, Mr Koester has also, since 1999, setup (together with Mr Kraemer) several investment structures and AIFs in Germany, which are authorized for public offering by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, **BaFin**). His work included several functions ranging from assistance in setting up of the said structures to the day-to-day running thereof including inter alia being a member of a supervisory board (*Aufsichtsrat*).

Mr Koester is a board member of Timberland Investment GmbH and is also the head of portfolio management at the said company. In 2014, Timberland Investment GmbH was granted authorization by the BaFin as full-scope alternative investment fund manager for closed ended AIFs including individual portfolio management, investment advice, reception and transmission of orders and the safekeeping and management of shares or units in domestic investment funds, EU investment funds and/or foreign AIF for others and the marketing of units or shares in investment funds to third parties.

Mr Koester is a member of the board of directors and member of the investment committee of Timberland Fund Management Ltd. and member of the board of directors and member of investment advisory committee of Timberland Invest Ltd. Timberland Fund Management Ltd. is a Maltese MFSA-licensed full-scope AIFM, which is authorised to manage open-ended and close-ended AIFs and is also authorised to perform discretionary portfolio management services, to receive and transmit orders and to provide investment advice. Timberland Fund Management Ltd. passports its services to nearly all Member States of the European Union. Timberland Invest Ltd. is licensed as MiFID-company to provide a number of services including the reception and transmission of orders, investment advice and placement of financial instruments without a firm commitment in respect of all financial instruments falling within the remit of Annex 1 to MiFID II. Timberland Invest Ltd. passports its service to all Member States of the European Union and to Norway, Island and Liechtenstein, all of which are countries of the European Economic Area.

As of today, Mr Koester also serves as member of the board of directors of Timberland Securities plc (Malta), Timberland Securities SPC and Timberland Securities II SPC (Cayman Islands), and Timberland Securities S.A. and Timberland Investment S.A. (Luxembourg), all of which are securitisation companies. He also serves as member of the board of directors of additional financial and non-financial entities. Furthermore, he serves inter alia as a member of the board of directors of (i) Timberland Management GmbH, which is a General Partner to inter alia Timberland Finance GmbH & Co KG and its branch in Hungary as well Timberland Finance International GmbH & Co KG and its branch in Hungary and (ii) E-Stream Energy Management GmbH, which is a General Partner to E-Stream Energy GmbH & Co KG.

### ***Thomas Kraemer***

Mr Kraemer has, since 1996, performed individual portfolio management and investment advisory services. Mr Kraemer has been a shareholder and board member of Timberland Capital Management GmbH since 1996. The said company is since 1998 under authorization of the predecessor of the BaFin, *Bundesaufsichtsamt für das Kreditwesen* (BaKred), and the services thereof are passported to several European countries.

In 1999, together with DG Bank Luxembourg, Mr Kraemer set up a retail sub-fund, Timberland Top-Dividende International, which was a sub-fund of DG LUX Multimanager I SICAV (the latter being authorized for retail public offering in Luxembourg, Germany, and, as of 2002, also in Austria). Mr Kraemer is responsible for the day-by-day portfolio management of this Fund and since 2003, he has performed this role together with Mr Dirk Koester.

Mr Kraemer has also, since 1999, been a member of the board of directors of Timberland Service GmbH, Germany, which is licensed as a financial service provider in Germany (section 34 lit. f German Trade, Commerce and Industry Regulation Act (*Gewerbeordnung*)) and acts as distribution agent of the fund Timberland Top-Dividende International.

In 2006, Mr Kraemer assisted in the migration of the fund Timberland Top-Dividende International to AHW SICAV (a new setup SICAV) with LRI Invest as UCITS Management Company. Mr Kraemer was deputy chairman (*stellvertretender Verwaltungsrat*) of the board of directors (*Verwaltungsrat*) of the SICAV between 2006 and August of 2010. Timberland Capital Management GmbH and Timberland Service GmbH (both of which Mr Kraemer was involved in, in the capacities referenced above) were respectively appointed as portfolio manager and distribution agent/information agent to the said SICAV.

In 2010, Mr Kraemer assisted in the migration of the fund Timberland Top-Dividende International to Timberland SICAV. Mr Kraemer has, since August 2010, been appointed as deputy chairman (*stellvertretender Verwaltungsrat*) of Timberland SICAV. In this instance, Timberland Capital Management GmbH and Timberland Service GmbH (both of which Mr Kraemer was involved in, in

the capacities referenced above) were also appointed to perform the functions of portfolio manager and distribution agent/information agent to the said SICAV.

In addition to the above, Mr Kraemer has also, since 1999, setup several investment structures (*Vermögensanlagen*) and AIFs in Germany, which have been (as of 2009) authorized for public offering by BaFin. His work included several functions ranging from assistance in drafting the prospectus of the said AIF/investment structures (together with the advising law firm) to the day-to-day running thereof, including setting up the relationship with Commerzbank AG (as account bank for the said AIFs/investment structures).

Mr Kraemer is a shareholder and board member of Timberland Investment GmbH. In 2014, Timberland Investment GmbH was granted authorization by the BaFin as full scope AIFM for closed ended AIFs including individual portfolio management, investment advice, reception and transmission of orders and the safekeeping and management of shares or units in domestic investment funds, EU investment funds and/or foreign AIF for others and the marketing of units or shares in investment funds to third parties.

Mr Kraemer is also a board member and investment committee member of Timberland Fund Management Ltd. and a board member and member of investment advisory committee of Timberland Invest Ltd. Timberland Fund Management Ltd. is a Maltese MFSA-licensed full-scope AIFM, which is authorised to manage open-ended and close-ended AIFs and is also authorised to perform discretionary portfolio management services, to receive and transmit orders and to provide investment advice. Timberland Fund Management Ltd. passports its services to nearly all Member States. Timberland Invest Ltd. is licensed as MiFID-company to provide a number of services including the reception and transmission of orders, investment advice and placement of financial instruments without a firm commitment in respect of all financial instruments falling within the remit of Annex 1 to MiFID. Timberland Invest Ltd. passports its service to all Member States and to Norway, Island and Liechtenstein, all of which are countries of the European Economic Area.

E-Stream Energy GmbH & Co KG has access to Timberland companies that perform and have access to large parts of the investment chain for setup, administration, portfolio management and distribution to and of different legal structures like securitization, AIFs under AIFMD, investment structures (*Vermögensanlagen*) which are not subject to AIFMD and UCITS.

As of today, Mr Kraemer serves as member of the board of directors of Timberland Securities plc (Malta), Timberland Securities SPC and Timberland Securities II SPC (Cayman Islands), and Timberland Securities S.A. and Timberland Investment S.A. (Luxembourg), all of which are securitisation companies.

He also serves as member of the board of directors of additional financial and non-financial entities. Furthermore, he serves inter alia as a member of the board of directors of (i) Timberland Management GmbH, which is a General Partner to inter alia Timberland Finance GmbH & Co KG and its branch in Hungary as well Timberland Finance International GmbH & Co KG and its branch in Hungary and (ii) E-Stream Energy Management GmbH, which is a General Partner to E-Stream Energy GmbH & Co KG.

### ***Anthony J Paris***

Mr Paris is a business consultant mainly working on projects to deliver improvements in service delivery performance and project management. His ideas on project leadership and management are described in a book written by Gordon D. Webster and published by Gower Press in English and by the Spanish Institute for Quality in Spanish. His management work included several years helping organizations like Chase Manhattan Bank, American Express, Metropolitan Life, NASA, and General Electric in the USA. Currently he is based in Europe, consulting with large organizations such as

Computer Sciences Corporation (CSC), Schindler Elevators & Escalators, Citibank, BBVA, Department of the Treasury (Southern Australia), Genpact and UST Global.

He graduated in mechanical engineering from University of Manchester, in England. At the same university, he later wrote a thesis on the cooling and controlling of nuclear reactors using liquid sodium as a coolant and was awarded a M.Sc. from Manchester University. His mathematical modelling work on nuclear reactors forms the basis of a number of business, financial and risk assessment models that he developed for various clients.

Mr Paris worked as systems analyst in England from 1968 to 1970 and moved to USA in 1970 where he worked with several financial institutions as management consultant from 1970 to 1978 developing systems to help investment analysts and portfolio managers. In 1978, he started a management training & consulting business in New York delivering services to Fortune 500 companies. From 1990 to 1996, he was managing director for Air Malta, the Maltese national airline, performing a major reorganization and implementing major automation projects. From 1996 onwards, he worked with major companies in the fields of operations management, project management and service management. He also worked with hedge fund managers on forecasting models and risk management models.

Mr Paris currently co-manages a USD 30 million family office fund. In addition, he is a director on the board of various fund management and administration companies based in Malta, with MLRO and risk officer responsibility. He also serves as member of the board of directors of additional financial and non-financial entities.

## **1.5 Organisational Structure**

As of the date of this Base Prospectus, the shareholders of the Guarantor are as follows:

- Timberland Holding II Ltd. (C 68800), having registered address at 171, Old Bakery Street, Valletta, VLT 1455, Malta, which holds 99.99 per cent. of the issued share capital of the Guarantor ; and
- Timberland Investment Ltd. (MC-295373), having registered address at PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, which holds 0.01 per cent. of the issued share capital of the Guarantor.

The Guarantor does, as of the date of this Base Prospectus, have shareholdings in other companies.

## **1.6 Principal Activities and Markets**

The principal objects of the Guarantor (and powers which may be exercised to attain such objects) are those which are set out in clause 4 of the Guarantor's Memorandum of Association, which is incorporated by reference herein.

As of the date of the publication of this Base Prospectus, the principal activity of the Guarantor comprises acting as arranger or sub-arranger in respect of the issuance of limited recourse notes by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A.

In its role as arranger or sub-arranger in respect of the issuance of notes by the aforementioned entities, all of which are securitization vehicles, the Guarantor provides (amongst others) the following services:

- the provision of consultancy services in connection with the acquisition, holding and liquidation of the underlying securitized assets;

- the co-ordination of all documentary and legal aspects of the issuance of notes by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A.; and
- paying amounts due under the notes issued by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A.

As consideration for performing its role as arranger or sub-arranger in respect of services outlined above, the Guarantor receives customary fees.

The main markets within which the Guarantor currently competes are the Republic of Malta, the Republic of Austria, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Grand Duchy of Luxembourg and the Cayman Islands, whilst the main markets within which Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc and Timberland Investment S.A. currently compete are the Republic of Austria, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the French Republic, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Italian Republic, the Principality of Liechtenstein, the Grand Duchy of Luxembourg, the Republic of Malta, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland.

The Guarantor may, in the future, act as arranger or sub-arranger in other securitization and index-linked transactions or carry out other services in any of the aforementioned and/or other jurisdictions.

## 2. MATERIAL CONTRACTS

*Arranger Agreements in respect of Issuance of notes by Timberland Securities SPC, Timberland Securities SPC II, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A.*

Pursuant to agreements dated 27 August 2015, the Guarantor was appointed to act as arranger or sub-arranger in respect of the issuance of notes by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A. In terms of the said agreements, the Guarantor was appointed to assist in the setting up of the securitization transactions and to provide, amongst others, the following services to Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A. respectively: (a) the provision of consultancy services in connection with the acquisition, holding and liquidation of the underlying securitized assets; and (b) the co-ordination of all documentary and legal aspects of the issuance of notes by Timberland Securities SPC, Timberland Securities II SPC, Timberland Securities plc, Timberland Securities S.A. and Timberland Investment S.A. All agreements may be terminated, inter alia, by the delivery by either party thereto of one month's written notice.

*Agreements in respect of E-Stream Energy GmbH & Co KG*

The Guarantor has provided loans amounting to €6,659,181 (as at 31.12.2018) to E-Stream Energy GmbH & Co KG. In connection with the latter, Timberland Securities Investment plc has entered into loan agreements with the respective related parties which stipulate repayment and interest terms.

## TAXATION

### 1. GENERAL TAXATION INFORMATION

The following information provided below does not purport to be a complete description of the tax law and practice currently available. Potential purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of transactions involving the Notes.

Purchasers and/or sellers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price (if different) of the Notes.

Transactions involving Notes (including purchases, transfer or redemption), the accrual or receipt of any payments in respect of the Notes and the death of a Noteholder may have tax consequences for potential purchasers which may depend, amongst other things, upon the tax status of the potential purchaser and may relate to stamp duty, stamp duty reserve tax, income tax, corporation tax, capital gains tax and/or inheritance tax.

The Issuer does not assume any responsibility for the withholding of taxes at source.

### 2. AUSTRIA

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as equity for tax purposes instead of debt) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

The Issuer assumes no responsibility with respect to taxes withheld at source.

#### 2.1 General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

## 2.2 Income taxation of the Notes

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest; the tax basis is the amount of the earnings received (sec. 27a(3)(1) of the Austrian Income Tax Act);
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital (including zero coupon bonds); the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs, in each case including accrued interest (sec. 27a(3)(2)(a) of the Austrian Income Tax Act); and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates (the mere exercise of an option does not trigger tax liability); e.g., in the case of index certificates, the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs (sec. 27a(3)(3)(c) of the Austrian Income Tax Act).

Also the withdrawal of the Notes from a securities account (*Depotentnahme*) and circumstances leading to a restriction of Austria's taxation right regarding the Notes vis-à-vis other countries, e.g. a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (cf. sec. 27(6) of the Austrian Income Tax Act). The tax basis amounts to the fair market value minus the acquisition costs (sec. 27a(3)(2)(b) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as non- business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Notes with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) at a flat rate of 27.5%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income from the Notes without an Austrian nexus, the income must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary acquisition costs (*Anschaffungsnebenkosten*; sec. 27a(4)(2) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Sec. 27(8) of the Austrian Income Tax Act, inter alia, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitized claims vis-à-vis credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (*Privatstiftungen, ausländische Stiftungen oder sonstige Vermögensmassen, die mit einer Privatstiftung vergleichbar sind*); income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act may not be

offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income. The Austrian custodian agent has to effect the offsetting of losses by taking into account all of a taxpayer's securities accounts with the custodian agent, in line with sec. 93(6) of the Austrian Income Tax Act, and to issue a written confirmation to the taxpayer to this effect.

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Notes with an Austrian nexus, the income is subject to withholding tax at a flat rate of 27.5%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5%). In case of investment income from the Notes without an Austrian nexus, the income must always be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5%. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 27.5%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55% of the remaining negative difference may be offset against other types of income.

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes at a rate of 25%. In the case of income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes with an Austrian nexus, the income is subject to withholding tax at a flat rate of 27.5%. However, a 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Notes can be offset against other income.

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Notes as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (inter alia, if the latter are in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses such as bank charges and custody fees must not be deducted (sec. 12(2) of the Austrian Corporate Income Tax Act). Interim tax does generally not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income from the Notes with an Austrian nexus, the income is in general subject to withholding tax at a flat rate of 27.5%. However, a 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Notes if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes are attributable to such permanent establishment (cf. sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). Individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*, see below) from the Notes if withholding tax is levied on such interest (this does not apply, inter alia, if the Issuer has neither its place of management nor its legal seat in Austria and is not acting through an Austrian branch, which condition the Issuer understands to be fulfilled in the case at hand; cf. sec. 98(1)(5)(b) of the Austrian Income Tax Act). Under applicable double taxation treaties, relief from Austrian income tax might be available. However, Austrian credit institutions must not provide for such relief at source; instead, the investor may file an application for repayment of tax with the competent Austrian tax office.

### **2.3 EU withholding tax**

Sec. 1 of the Austrian EU Withholding Tax Act – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU-Member State (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35%. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years.

Pursuant to Council Directive (EU) 2015/2060 of 10 November 2015 repealing Council Directive 2003/48/EC, the latter was in general repealed with effect from 1 January 2016. However, pursuant to detailed grandfathering provisions, Austria shall in general continue to apply Council Directive 2003/48/EC until 31 December 2016.

### **2.4 Tax treaties Austria/Switzerland and Austria/Liechtenstein**

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25% or 27.5% respectively, on, inter alia, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (i.e. in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (i.e. in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

## 2.5 Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers mortis causa of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5%, with a higher rate of 25% applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to sec. 27(6) of the Austrian Income Tax Act (see above).

## 3. CROATIA

This section on taxation contains a brief description of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of Notes in the Republic of Croatia. This section does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following description is rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. The description is also based on the currently valid and applicable tax legislation. It should be noted that the tax legislation is subject to the frequent amendments and that certain amendments might have impact on tax consequences described below. It is advisable that the potential investors consult tax advisors as to the tax consequences of purchase, holding and sale of the Notes. Tax risks resulting from the Notes (for example, from a potential re-characterization for tax purposes as equity instead of debt) shall in any case be borne by the investor. For the purpose of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

There is no tax on the income from the Notes withheld at source under Croatian tax law.

The Issuer assumes no responsibility with respect to taxes withheld at source.

### 3.1 General remarks

Individuals having a residence (permanent resident or habitual abode) in Croatia are subject to personal income tax (*porez na dohodak*) in Croatia on their worldwide income (unlimited income tax liability);

*načelo svjetskog dohotka*). Individuals not having a residence in Croatia are subject to income tax only on income from certain Croatian sources (limited income tax liability; *načelo tuzemnog dohotka*).

Corporations having their registered seat in Croatia are subject to corporate income tax (*porez na dohodak*) on their worldwide income (unlimited corporate income tax liability). Corporations not having their registered seat in Croatia are subject to corporate income tax only if they have permanent establishment in Croatia (limited corporate income tax liability).

Both in case of unlimited and limited (corporate) income tax liability Croatia's right to tax may be restricted by applicable double tax conventions executed by and between Croatia and the country of source or residence (as the case may be).

### **3.2 Taxation of Income**

If the Croatian corporate income tax resident realizes interest income on Notes, such interest income is included in the tax base and is taxable respectively. The regular corporate income tax rate in Croatia is 20%.

In case of Croatian corporate income tax non-resident, the income resulting from the Notes is taxable in Croatia only if such non-residents have a permanent establishment (*stalna poslovna jedinica*) in Croatia and such income is attributable to the permanent establishment in Croatia.

In case of the Croatian personal income tax resident, the interest from notes is not considered to be a taxable income from interest (regardless of the issuer and the type of notes). There is no further guidance as to when certain types of notes might be characterized (qualified) as equity instead of debt. However, based on a broad language of Article 30 Paragraph 15 Item 4 Personal Income Tax Act (excluding interest income from all types of notes from the taxable income), the income from the interest on Notes should not be taxable in Croatia.

### **3.3 Taxation of Principal**

Pursuant to the Croatian laws, payment of principals under the Note is not subject of any tax regime.

### **3.4 Taxation of Capital Gain**

For the purpose of this part of Base Prospectus, capital gain is defined as the profit accomplished by selling the Notes being the difference between the purchase price paid for acquiring the Note and the selling price for which the Note are sold.

In case of the Croatian corporate income tax resident, the capital gain is calculated in the income tax base and taxable respectively. The regular corporate income tax rate is 20%.

In case of the Croatian personal income tax resident, personal income tax is levied, with certain exemptions, on capital gain realized by taxpayer – natural person – on the disposal of the Note. The tax base is calculated as balance between agreed (or market) disposal value (i.e., output value) and the acquisition value (i.e., input value) of the disposed Note, decreased by the amount of capital loss incurred in the same tax year. The personal income tax on such capital gains is levied on an annual basis, at a rate of 12%.

By way of exemption, personal income tax on capital gains is not levied on the disposal of financial instruments in certain cases – e.g. when the disposed Note is acquired by a taxpayer before 1 January 2016, or in cases where the financial instrument is disposed after expiration of 3-year holding period (i.e. period between the acquisition and disposal of the respective Note).

### **3.5 Inheritance and Gift Tax**

Croatia levies a tax on inheritance and gifts, when legal entities and individuals receive gifts and inheritance in Croatia. The securities received as a gift, inheritance or on other basis without compensation are subject to such tax, at a rate of 5%, if their market value exceeds the amount of HRK 50,000 (approx. EUR 6,600).

The taxpayers are recipients of inheritance/gift. However, by way of exemption, certain persons are not liable for tax, being for example: spouse, blood relatives in the direct line, certain blood or marriage relatives living in the same household, etc.

#### **4. CYPRUS**

The following is a general analysis of certain Cyprus tax implications. This analysis makes no claim as to its completeness, nor does it take into account any specific circumstances and does not purport to be a comprehensive description of or tax advice on all the tax considerations that may be relevant in a particular case or to a particular holder of Notes. It is based on Cypriot laws currently in force and as applied in practice as of the date hereof and shall be subject to any changes in tax laws occurring after such date. Prospective holders of Notes may seek the advice of their professional tax advisors to clarify any tax implications resulting from the receipt of a Payment under the Notes.

Under the Cyprus Tax Law an individual who is a tax resident of Cyprus is taxed on all chargeable income accrued or derived from all sources in Cyprus and abroad. Individuals who are not tax resident of Cyprus are taxed on certain income accrued or derived from sources in Cyprus. An individual is tax resident of Cyprus if he/ she spends in Cyprus more than 183 days in any one calendar year. Foreign taxes paid can be credited against the personal income tax liability.

Under the Cyprus Tax Law a company which is a tax resident in Cyprus is taxed on its income accrued or derived from all chargeable sources in Cyprus and abroad. A non-Cyprus tax resident company is taxed on income accrued or derived from a business activity which is carried out through a permanent establishment in Cyprus and on certain income arising from sources in Cyprus. A company is resident in Cyprus if it is managed and controlled in Cyprus. Foreign taxes paid can be credited against the corporation tax liability.

##### **4.1 Tax on Payment (Interest and Principal)**

The payment corresponding to the repayment of the principal amount of the Notes should not be subject to tax in Cyprus. Interest income is subject to tax in Cyprus as follows.

##### **4.2 Individuals – Cyprus Tax Residents**

Income tax. From January 1st, 2003, pursuant to Law 118(I)/2002 on Income Tax, as amended, interest income is income tax exempt.

Special Defense Contribution (SDC). Since January 1st, 2003, pursuant to Law 117(I)/2002 on Special Contribution for the Defense of the Republic, as amended, an individual who is tax resident in Cyprus and receives or is credited with interest income, is subject to SDC at a rate of 30%.

##### **4.3 Legal Entities – Cyprus Tax Residents**

Income tax. From January 1st, 2009, pursuant to Law 118(I)/2002 on Income Tax, as amended, interest income not arising from the ordinary conduct of business or interest not closely connected with the ordinary conduct of the business, is exempt from income tax. Interest income arising in the ordinary conduct of business, including any interest closely connected with the ordinary conduct of the business, as well as interest acquired by open-ended or close-ended collective investment schemes, is not considered as interest but as trading profit and, therefore, it is considered as taxable income of the company for income purposes. Income tax is imposed at a rate of 12.5%.

Special Defense Contribution. Since January 1st, 2003, pursuant to Law 117(I)/2002 on SDC for the Defense of the Republic (CDC), as amended, every legal person who resides in the Republic and receives or is credited with interest income, is subject to SDC at a rate of 30%. However, interest income arising in the ordinary conduct of business, including any interest closely connected with the ordinary conduct of the business, as well as interest acquired by open-ended or closed-ended collective investment schemes, are exempt from the SDC.

#### **4.4 Other non-Cypriot Residents (Individuals and Legal Entities)**

In case of holders of Notes who are not tax residents of Cyprus, the manner of taxation depends on the tax regime of each Noteholder's country of residence. Non-residents of Cyprus are entitled to receive interest without paying any Cypriot income tax and SDC. In addition, there is never any withholding tax on interest paid to non-residents of Cyprus.

##### **(a) Non – Domicile rules**

Under the "non-domicile" rules, a Cyprus tax resident individual who is not domiciled of Cyprus will effectively not be subject to SDC in Cyprus or any interest, rents or dividends (whether actual or deemed) regardless of whether such income is derived from sources within Cyprus and regardless of whether such income is remitted to a bank account or economically used in Cyprus. It is noted that no tax is imposed on individuals under Income Tax Law in respect of interest and dividend income.

The term "domiciled in Cyprus" is defined in the law as an individual who has a domicile of origin in accordance with the Cyprus Wills and Succession Law but it does not include:

- (a) An individual who has obtained and maintained a domicile of choice outside Cyprus in accordance with the Cyprus Wills and Succession Law, provided that such an individual has not been a tax resident of Cyprus for a period of 20 consecutive years preceding the tax year; or
- (b) An individual who has not been a tax resident of Cyprus for a period of 20 consecutive years prior to the introduction of the law.

Notwithstanding the above, an individual who has been a tax resident of Cyprus for at least 17 years out of the last 20 years prior to the tax year will be considered to be "domiciled in Cyprus" and as such be subject to SDC regardless of his/her domicile or origin.

##### **(b) Stamp Duty**

Cyprus stamp duty is payable on every instrument executed if it relates to any (a) property situated in Cyprus or (b) matter or thing which is performed or done in Cyprus.

There are instruments which are subject to stamp duty in Cyprus at a fixed fee and instruments which are subject to stamp duty based on the value of the instrument. For contracts the stamp duty rates are as follows:

For amounts up to €5,000, no stamp duty is payable.

For amounts between €5,001 — €170,000: 0.15%.

For amounts over €170,001: 0.2%, with a cap of €20,000.

Stamp duty at the above rates must be paid within 30 days from the date of execution of the relevant document(s) in Cyprus or from the date of receipt of such document(s) into Cyprus. Non-payment of stamp duty will not invalidate an agreement. The risks of non-payment of

stamp duty are that if an otherwise stampable document is at any time submitted to any public authority in Cyprus, it is possible that that public authority may require such document to be stamped before it is submitted to that authority. In the event that the stampable document, which has not been stamped, is to be admitted as evidence before a Cyprus Court, the Court will require that this is properly stamped, together with a penalty of up to 20% of the stamp duty that is due but unpaid, before it is allowed to be submitted as evidence.

(c) **Information on Taxes on the Income from Securities withheld at Source**

As far as Cypriot tax residents are concerned, it is the duty of the Issuer to withhold interest at source.

**5. CZECH REPUBLIC**

The information set out below is of a general nature and relates only to certain principal Czech withholding tax considerations. Accordingly, it does not deal with any other Czech tax consequences of acquiring, holding or disposing of the Notes, which may be relevant to a decision to purchase the Notes, and is not intended to be, nor should it be regarded as, legal or tax advice. Prospective holders of the Notes should seek, in the light of their individual situation, their own professional advice as to the consequences of acquiring, holding or disposing of the Notes in all relevant jurisdictions. The information is based on the tax laws of the Czech Republic as in effect on the date of this Base Prospectus and their prevailing interpretations available on or before such date. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this summary.

For the purposes of this information, it has been assumed that the Issuer is neither resident for tax purposes nor has a permanent establishment in the Czech Republic.

**5.1 Withholding Tax**

All interest and other payments to be made by the Issuer under the Notes may be made free of withholding on account of any taxes imposed by the Czech Republic.

**5.2 Securing Tax**

In general, Czech tax residents (or Czech permanent establishments of Czech tax non-residents) acquiring investment instruments, such as the Notes, are required, under their own responsibility, to withhold and to remit to Czech tax authorities a 1 per cent. securing tax from the purchase price when purchasing the investment instruments from a seller who is resident for tax purposes outside the European Union or the European Economic Area. Such obligation can be eliminated under a tax treaty concluded between the Czech Republic and the country in which the seller is a tax resident. Furthermore, it can be waived in advance based on a decision of Czech tax authorities.

**6. FRANCE**

The following is a description based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the description below is of a general nature and does not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or disposal of the Notes.

**Withholding taxes**

*The following is a summary addressing only the French compulsory withholding tax treatment of income arising from the holding of the Notes. This summary is prepared on the assumption that (i) the Issuer is not and will not be a French resident for French tax purposes and (ii) any transactions in connection with the Notes are not and will not be attributed or attributable to a French branch, permanent establishment or other fixed place of business of the Issuer in France.*

All payments by the Issuer in respect of the Notes will be made free of any compulsory withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

However, if the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French Code (*général des impôts*), subject to certain limited exceptions, interest and assimilated income received in relation to securities or claims which are regarded as debt for French tax purposes by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax which is deductible from their personal income tax liability in respect of the year in which the payment has been made. In such case, social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5%.

## 7. GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This discussion is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each series or tranche of Notes may be subject to a different tax treatment due to the specific terms of such series or tranche of Notes as set out in the respective terms and conditions of the Notes, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

### 7.1 German Tax Residents

The section "German Tax Residents" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

#### (a) Withholding tax on distributions and on capital gains

Distributions received by a private Noteholder will be subject to German withholding tax if the Notes are kept or administered in a custodial account with the same (i) German branch of a German or non-German bank or financial services institution, (ii) German securities trading company or (iii) German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). For individual Noteholders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by a private Noteholder provided the Notes have been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition. If similar Notes kept or administered in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If distribution claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the payment of distribution claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (Accrued Interest, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income (e.g. Switzerland or Andorra).

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 18 January 2016 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The same rules should be applicable according to the said tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. A disposal of the Notes will only be recognised according to the view of the tax authorities, if the received proceeds exceed the respective transaction costs.

In computing any German tax to be withheld, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realised by a private Noteholder via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares). The Disbursing Agent also deducts Accrued Interest on the Notes or on other securities paid separately upon the acquisition of the respective security by a private Noteholder via the Disbursing Agent. In addition, subject to certain requirements and restrictions, the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a private Noteholder in the custodial account with the Disbursing Agent.

Private Noteholders are entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) for all investment income received in a given year. Upon the private Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation while ongoing payments, such as distributions, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

(b) **Taxation of distributions and capital gains**

The personal income tax liability of a private Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the private Noteholder must report his or her income derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), a private Noteholder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a private Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of the private Noteholder realised in the same or the following years.

Where Notes form part of a trade or business, the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, distributions (accrued) must be taken into account as income. The respective Noteholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder. Where Notes form part of a German trade or business distributions and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

## **7.2 Non-German Tax Residents**

Distributions and capital gains from the disposal, redemption, repayment or assignment of Notes are not subject to German taxation, unless the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder. In this case a tax regime similar to that explained above under "German Tax Residents" applies.

Where income from the Notes is subject to German taxation as set forth in the preceding paragraph and the Notes are kept or administered in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and proceeds from the disposal, assignment or redemption of a Note are paid by a Disbursing Agent to a non-resident upon delivery of the Notes, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

## **7.3 Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the

donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

#### 7.4 Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax (FTT) (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Notes.

### 8. HUNGARY

*The following is a general discussion of certain Hungarian tax consequences relating to the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. It is based on laws currently in force in Hungary and applicable on the date of this Base Prospectus, but subject to change, possibly with retrospective effect. The acquisition of the Notes by non-Hungarian holders of Notes, or the payment of interest under the Notes may trigger additional tax payments in the country of residence of the holder of Notes, which is not covered by this summary, but where the provisions of the treaties on the avoidance of double taxation should be taken into consideration. Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country of which they are residents.*

#### 8.1 Withholding Tax (foreign resident individual holders of Notes)

The payments of interest on and yield realised upon the redemption or sale of publicly offered and traded Notes (**Interest Income**) is taxed at 15 per cent. Notes listed on a regulated market of an EEA member state are considered publicly offered and traded Notes.

The proceeds paid on privately placed Notes which are not listed on a regulated market of an EEA member state is considered as other income (**Other Income**) which is taxable as part of the individual's aggregated income (the tax payable is 15 per cent.). The capital gains realised on the sale of such Notes is considered, as a general rule, capital gains income (**Capital Gains Income**). The tax rate applicable to Capital Gains Income is 15 per cent.

Foreign resident individual holders of Notes are subject to tax in Hungary if they realise Interest Income from Hungarian sources or income that is otherwise taxable in Hungary if the international treaty or reciprocity so requires. Interest Income should be treated as having a Hungarian source where:

- (a) the Issuer is resident in Hungary for tax purposes;
- (b) the Issuer has a permanent establishment in Hungary and Interest Income realised on the basis of the Notes is paid by the Hungarian permanent establishment of the Issuer;
- (c) the foreign resident individual holder of Notes has a permanent establishment in Hungary to which the Interest Income is attributable.

The tax on payments of the Interest Income is to be withheld by the "Payor" (*kifizető*) (as defined below).

Pursuant to Act XCII of 2003 on the Rules of Taxation (**ART**) a "Payor" means a Hungarian resident legal person, organization, or private entrepreneur who provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, "Payor" shall mean the borrower of a loan or, the issuer of a note, including, the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, "Payor" shall mean such stockbroker. The Hungarian permanent establishment of a foreign resident entity is also considered as a "Payor".

Interest, as defined by Schedule 7 of the ART (which implements the provisions of the Savings Directive), realised on the Notes by citizens of any other Member State of the European Union is not subject to Hungarian tax where a paying agent based in Hungary is obliged to provide data to the Hungarian state tax authority on the basis of Schedule 7 of the ART.

A foreign resident individual holder who does not have a permanent establishment in Hungary is not subject to tax in Hungary if he realises Capital Gains Income from Hungary since such income is not considered as Hungarian source income.

Please note that the provisions of the applicable double tax convention, if any, should be considered when assessing the Hungarian tax liabilities of a foreign resident individual holder.

## **8.2 Withholding Tax (foreign resident corporate holders of Notes)**

Interest on Notes paid to foreign resident corporate holders of Notes, who do not have a permanent establishment in Hungary, by resident legal entities or other persons and any capital gains realised by such foreign resident holders of Notes on the sale of the Notes is not subject to tax in Hungary. The tax liability of a foreign resident corporate holder of Notes, which has a permanent establishment in Hungary is limited, in general, to the income from business activities realised through its Hungarian permanent establishment.

## **8.3 Taxation of Hungarian resident individual holders of Notes**

Act CXVII of 1995 on Personal Income Tax (the **Personal Income Tax Act**) applies to the tax liability of Hungarian and foreign private individuals. The tax liability of Hungarian resident private individuals covers the worldwide income of such persons.

According to the provisions of the Personal Income Tax Act, in the case of individual holders of Notes, Interest Income is the income paid as interest and the capital gains realised upon the redemption or the sale of publicly offered and publicly traded debt securities.

The withholding tax on Interest Income is 15 per cent. Notes listed on a regulated market of an EEA member state are considered publicly offered and traded Notes.

The proceeds paid on privately placed Notes which are not listed on a regulated market of an EEA member state is considered as Other Income which is taxable as part of the individual's aggregated income (the tax payable is 15 per cent.). The capital gains realised on the sale or redemption of such Notes is considered, as a general rule, Capital Gains Income. The tax rate applicable to Capital Gains Income is 15 per cent. Pursuant to Act LXVI of 1998 on Healthcare Contributions (the **Healthcare Contributions Act**), Interest Income and Capital Gains Income realised by Hungarian resident individuals subject to further conditions is generally subject to 6 per cent. and 14 per cent. healthcare contributions respectively.

The rules of the Personal Income Tax Act may in certain circumstances impose a requirement upon the "Payor" (*kifizető*) (as defined below) to withhold tax on the interest payments to individual holders

of Notes. In certain circumstances, the Healthcare Contributions Act also imposes a requirement upon the "Payor" to withhold healthcare contribution on the interest payments to individual holders of Notes.

Pursuant to the ART the definition of a "Payor" covers a Hungarian resident legal person, other organisation, or private entrepreneur that (who) provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, Payor shall mean the borrower of a loan or the issuer of a note including, the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, Payor shall mean such stockbroker. In respect of income that is earned in a foreign country and taxable in Hungary, Payor shall mean the "paying agent" (*megbizott*) (legal person, organisation, or private entrepreneur) having tax residency in Hungary, except in cases where the role of a financial institution is limited to performing the bank transfer or payment.

#### **8.4 Taxation of Hungarian resident corporate holders of Notes**

Under Act LXXXI of 1996 on Corporate Tax and Dividend Tax (the **Corporation Tax Act**), Hungarian resident taxpayers have a full, all-inclusive tax liability. In general, resident entities are those established under the laws of Hungary (i.e. having a Hungarian registered seat). Foreign persons having their place of management in Hungary are also considered as Hungarian resident taxpayers.

In general, interest and capital gains realised by Hungarian resident corporate holders of Notes on the Notes will be taxable in the same way as the regular income of the holders of Notes. The corporation tax rate in Hungary is 10 per cent. up to the first HUF 500 million of the taxpayer's annual before tax income and 19 per cent. for the part exceeding the HUF 500 million threshold.

### **9. IRELAND**

*The following is a summary based on the laws and practices in force in Ireland, as at the date of this Base Prospectus, of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Notes and should be treated with appropriate caution. This summary deals only with Notes held beneficially as capital assets and does not address special classes of Note holders such as dealers in Notes or trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and do not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes are advised to consult their own tax advisors on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile. The comments are made on the assumption that the Issuer is not resident in Ireland for Irish tax purposes and does not carry on a trade in Ireland through a branch or agency.*

#### **9.1 Irish Withholding Tax**

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payment in respect of the Notes except where such payment has an Irish source. The interest could be considered to have an Irish source, where, for example, the payment constitutes yearly interest and such interest is paid out of funds maintained in Ireland or where the Notes are secured on Irish situate assets. The mere offering of the Notes to Irish investors will not cause the payment to have an Irish source.

In certain circumstances, collection or encashment agents and other persons receiving interest on the Notes in Ireland on behalf of an Irish resident holder of Notes will be obliged to operate a withholding tax.

#### **9.2 Taxation of income**

Unless exempted, an Irish resident or ordinarily resident holder of Notes and a non-resident holder of Notes holding Notes through an Irish branch or agency will be liable to Irish tax on the amount of any interest or other income including potentially any premium on redemption received from the Issuer. Individual holders of Notes would also potentially be liable to social insurance contributions and the universal social charge. Corporate investors will suffer corporation tax on the interest or other payment received from the Issuer. Credit against Irish tax on the interest received may be available in respect of any foreign withholding tax deducted by the Issuer.

### **9.3 Taxation of capital gains**

An Irish resident or ordinarily resident holder of Notes and a non-resident holder of Notes holding the Notes through an Irish branch or agency would potentially be liable to Irish tax on capital gains on any gains arising on a disposal of Notes. Reliefs and allowances may be available in computing the liability of the holder of the Notes.

### **9.4 Stamp Duty**

Transfers of Notes should not be subject to Irish stamp duty, provided the transfers do not relate to (i) Irish land or buildings or any rights over such property or (ii) stocks or securities of an Irish registered company.

### **9.5 Capital Acquisitions Tax**

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. Bearer Notes could be considered property situated in Ireland if the bearer certificates were located in Ireland. This tax is charged on gifts and inheritances above a certain threshold determined both by the relationship between the disponer and the donee/successor; and by reference to previous gifts or inheritances received.

### **9.6 Offshore Fund Taxation**

A holding of Notes could potentially be treated as a material interest in an offshore fund and subject to more onerous tax provisions applicable to offshore funds. As recommended above a holder of Notes should obtain independent tax advice in relation to the tax implications of the acquisition, holding and disposing of Notes.

### **9.7 Provision of Information**

#### **General**

Holders of Notes should be aware that where any interest or other payment on Notes is paid to them by or through an Irish paying agent or collection agent then the relevant person may be required to supply the Irish Revenue Commissioners with details of the payment and certain details relating to the holder of the Notes. Where the holder of the Notes is not Irish resident, the details provided to the Irish Revenue Commissioners may, in certain cases, be passed by them to the tax authorities of the jurisdiction in which the holder of the Notes is resident for taxation purposes.

## **10. ITALY**

*The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which could be made on a retroactive basis. The following description does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase,*

own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

The Italian tax consequences of the purchase, ownership and disposal of the debt instruments may be different depending on whether:

- (a) they represent securities qualifying as bonds or securities similar to bonds (*obbligazioni o titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented. Pursuant to Article 44 of Decree 917, for securities to qualify as securities similar to bonds (*titoli similari alle obbligazioni*), they must (i) have a fixed or determinable maturity; (ii) incorporate an unconditional obligation to pay at maturity an amount not less than the therein indicated; and (iii) attribute to the holders no direct or indirect right to control or participate in the management of the Issuer; and
- (b) they represent securities qualifying as atypical securities (*titoli atipici*) pursuant to Article 5 of Legislative Decree No. 512 of 30 September 1983, as amended and supplemented. Pursuant to Articles 5 and 8 of Decree 512, atypical securities are securities that do not fall within the category of (a) shares (*azioni*) and securities similar to shares (*titoli similari alle azioni*) and of (b) bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

## 10.2 Tax Treatment of Notes qualifying as atypical securities (*titoli atipici*)

Interest payments relating to the Notes, which are neither deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) nor of shares (*azioni*) or securities similar to shares (*titoli similari alle azioni*), as clarified above, are subject to 26 per cent. withholding tax if made in favour of certain categories of Italian resident investors, including: (i) an Italian resident individual, (ii) an Italian resident non-commercial partnership, (iii) an Italian resident non-commercial private or public institution, (iv) an Italian open-ended or closed-ended investment fund, a SICAF (an Italian investment company with fixed share capital) or a SICAV (an Italian investment company with variable capital) (together, the **Fund**), (v) an Italian real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate investment companies with fixed capital (the **Real Estate SICAF**), (vi) an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005), or (vii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is withheld as a final withholding tax.

The withholding tax does not apply to an Italian resident holder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Moreover, no taxation applies on payments to a non-Italian resident holder of the Notes on interest or premium relating to the Notes provided that, if the Notes are deposited in Italy, the non-Italian resident holder of the Notes declares itself to be a non-Italian resident according to Italian tax regulations.

## 10.3 Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the holder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are

connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident holder of the Notes is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such holder of the Notes from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders of the Notes may set off losses with gains. Under some conditions and limitations, Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individuals holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 June 2014 (Decree 66), depreciations may be carried forward to be offset against increases in value of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations realised before 1 January 2012; (ii) 76.92 per cent. of the depreciations realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant holder of the Notes. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the holder of the Notes or using funds provided by the holder of the Notes for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the holder of the Notes is not required to declare the capital gains in its annual tax return. Pursuant to Decree 66, depreciations may be carried forward to be offset against increases in value of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations realised before 1 January 2012; (ii) 76.92 per cent. of the depreciations realised from 1 January 2012 to 30 June 2014. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called (*risparmio gestito*) regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at

year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the holder of the Notes is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree 66, depreciations may be carried forward to be offset against increases in value of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations realised before 1 January 2012; (ii) 76.92 per cent. of the depreciations realised from 1 January 2012 to 30 June 2014. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return and remains anonymous.

Any capital gains realised by a holder of the Notes which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but a withholding tax of 26 per cent. will be levied, in certain circumstances, on distributions made in favour of unitholders or shareholders.

Any capital gains realised by a holder of the Notes which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, capital gains realised from the disposal of the Notes by Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Real Estate SICAFs are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund or a Real Estate SICAF.

Capital gains realised by non-Italian resident holders from the sale and redemption of the Notes are not subject to Italian taxation, provided that the Notes are (i) traded on regulated markets, or (ii) if not traded, are held outside Italy.

#### **10.4 Inheritance and Gift Taxes**

Pursuant to Law Decree No. 262 of 3 October 2006 converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above on the value exceeding, for each beneficiary, €1,500,000.

#### **10.5 Transfer Tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

## **10.6 Stamp Duty**

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (Decree 201), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and, for taxpayers different from individuals, cannot exceed €14,000. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

## **10.7 Wealth Tax on Notes Deposited Abroad**

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent. This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

## **10.8 Tax monitoring obligations**

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return) the amount of investments directly or indirectly held abroad. The disclosure requirements are not due if the foreign financial investments (including the Notes) are held through an Italian resident intermediary or are only composed by deposits and/or bank accounts having an aggregate value not exceeding an €15,000 threshold throughout the year.

## **10.9 The Proposed European Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the Commission's Proposal) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a

participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **11. LIECHTENSTEIN**

The following information is of general nature only and shall give an overview of the principles of taxation under the laws currently in force in Liechtenstein. The information below does not, and is not intended to, constitute comprehensive legal or tax advice. Investors should consult their own professional advisors as to the implications of their subscribing for, purchasing, holding, exchanging or disposing of the Notes under the laws of the jurisdictions in which they may be subject to taxation. In addition, prospective investors should bear in mind that future legislative, judicial or administrative developments could have an impact on the information below and could affect the tax consequences for investors.

### **11.1 Taxation of individuals in the Principality of Liechtenstein**

Individuals with domicile or habitual abode in Liechtenstein are subject to unrestricted taxation in Liechtenstein, encompassing their entire net wealth and their entire income. However, various types of income and assets do not constitute taxable income and wealth, respectively, under the Liechtenstein Tax Act (the Tax Act). This in particular holds true for income arising from assets which are subject to wealth tax in Liechtenstein. Thus, given that the Notes of a Noteholder who is unrestrictedly taxable in Liechtenstein constitute taxable wealth within the meaning of the Tax Act, any interest payments of such Notes do, as a consequence, not qualify as taxable income and are, therefore, not subject to income taxation in Liechtenstein. As a result, while the Notes held by a Noteholder with domicile or habitual abode in Liechtenstein constitute taxable wealth in Liechtenstein, interest payments received by such Noteholder do not constitute taxable income.

Other tax-exempt types of income under the Tax Act are, for example, dividends arising from participations in domestic and foreign legal entities and capital gains from the disposal and liquidation of participations in domestic and foreign legal entities. Thus, dividends as well as capital gains and liquidation proceeds arising after the conversion of the Notes into equity do not constitute taxable income within the meaning of the Tax Act.

Under the Tax Act, wealth is not taxed directly (by means of a certain percentage of the taxable wealth). Rather, a fixed percentage of the taxable wealth (currently four per cent; to be determined every year by the Liechtenstein parliament) is added to the taxable income and the total tax is then calculated based on the sum of the taxable income and the fixed percentage of the taxable wealth. The taxable wealth is determined based on the market value of the assets at the beginning of the year or at the beginning of the period of tax liability, respectively; for example, securities with a quotation are valued according to the quotation and, in general, securities without a quotation as well as non-securitized rights and claims, including privileges whose value can be determined, shall be assessed according to market value, which generally shall not be set lower than nominal value, unless the taxpayer demonstrates that the nominal value does not correspond to the market value.

Individuals whose domicile and habitual abode is not in Liechtenstein are subject to restricted taxation in Liechtenstein, encompassing only their domestic wealth and their domestic income. Domestic wealth comprises real estate and business premises located in Liechtenstein.

## **11.2 Taxation of legal entities and trusts in the Principality of Liechtenstein**

Legal entities domiciled or having their actual place of management in Liechtenstein are subject to unrestricted taxation in Liechtenstein, encompassing their entire net earnings.

On the other hand, no Liechtenstein tax applies with respect to the capital of legal entities. Therefore, unlike the income from the wealth of individuals (see above), the income generated from the wealth of legal entities is not tax-exempt. As a consequence, interest payments of Notes held by legal entities which are unrestrictedly taxable in Liechtenstein constitute taxable income in Liechtenstein.

By contrast, dividends arising from participations in domestic and foreign legal entities and capital gains from the disposal or liquidation of participations in domestic and foreign legal entities do not constitute taxable income for legal entities, either (the term "dividends" includes ordinary dividends, profit shares, extraordinary dividends, bonus payouts and irregular distributions of profits and distributions of reserves).

Legal entities which neither have their domicile nor their actual place of management in Liechtenstein are subject to restricted taxation in Liechtenstein, encompassing only their domestic corporate income.

Legal entities are entitled to a deduction of 4 % of their equity capital (unless such capital is not related to their business) for purposes of assessing their taxable net income. Further, losses suffered in past years can be carried forward for an unlimited period of time.

Legal entities taxable in Liechtenstein are subject to ordinary corporate income tax on all their net income at a standard flat rate of 12.5 per cent per year. However, any Liechtenstein legal entity which does not pursue any commercial activity can apply for the status of a Private Asset Structure (a PAS) if the requirements as stipulated in Art. 64 Tax Act are met. This, for example, holds true for legal entities which only hold bankable assets (such as shares, bonds or other securities, eg Notes), other assets (such as gold, art collections, liquid funds) or participations, provided that the legal entity and its shareholders or beneficiaries do not exert actual control by means of direct or indirect influence on the management of its underlying entities. Legal entities being granted the status of a PAS are subject to the minimum corporate tax in the amount of CHF 1,200.00 per year only and the regular 12.5% corporate income tax does not apply. PAS do not have to file annual tax returns.

Finally, trusts which have been established pursuant to Liechtenstein law or whose actual place of management is in Liechtenstein are in any event only subject to the minimum corporate income tax of CHF 1,200.00 per year in Liechtenstein. The same holds true for foreign trusts which receive earnings in Liechtenstein.

## **12. LUXEMBOURG**

### **12.1 General Information**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only.

Any reference in the present sub-section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), a temporary tax to balance the state budget (*impôt d'équilibre budgétaire temporaire*)

as well as personal income tax (*impôt sur le revenu*) generally. Prospective purchasers of the Notes may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge as well as the temporary tax to balance the state budget. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

## 12.2 Taxation of the Noteholders

### (a) Withholding Tax

#### (a) Non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

#### (b) Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**) as described below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the Savings Directive) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the Territories), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 per cent.

### (b) Income Taxation

#### (a) Non-resident Noteholders

A non-resident Noteholder, not having a permanent establishment or permanent representative in Luxembourg to which/whom the Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident Noteholder on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate Noteholder or an individual Noteholder acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom the Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(b) Resident Noteholders

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

- Luxembourg resident corporate Noteholder

A corporate Noteholder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate Noteholder that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

- Luxembourg resident individual Noteholder

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of Notes has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state/territory that has entered into a treaty/agreement with Luxembourg relating to the Savings Directive. A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

### 12.3 Net Wealth Taxation

A corporate Noteholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended.

An individual Noteholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

#### **12.4 Other Taxes**

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a fixed or (*ad valorem*) registration duty may be due upon the registration of the Notes in Luxembourg in the case where the Notes must be produced before an official Luxembourg authority (including a Luxembourg court), or in the case of a registration of the Notes on a voluntary basis.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate, for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

### **13. MALTA**

*The following information is of a general nature only and is based on the laws presently in force in Malta, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Maltese income tax law issues in respect of non-Maltese residents and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Malta tax law, to which they may be subject.*

*Any reference in the present section to income tax law concepts (including residence law concepts) refers to Maltese tax law and/or concepts only.*

#### **13.1 Non-Maltese Residents**

Non-Maltese residents are exempt from Maltese tax in respect of any profits or capital gains derived from the transfer (including redemption, liquidation or cancellation) of the Notes provided that:

- (a) the company does not own, directly or indirectly, any immovable property in Malta; and
- (b) the beneficial owner of the gain or profit is not resident in Malta and is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta

Non-Maltese residents are also exempt from Maltese tax in respect of any interest, discount or premium in respect of the Notes provided that:

- (a) the non-Maltese resident does not carry on any trade or business in Malta through a permanent establishment to which the debt claim giving rise to the interest, discount or premium, is effectively connected; and
- (b) the beneficial owner of the interest, discount or premium is not resident in Malta and is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta

The above exemptions may be subject to requisite declarations/evidence being provided to the company in terms of law so that the company is exempted from withholding taxes.

### **13.2 Malta Tax on Interest**

Since interest is payable in respect of the Notes which are the subject of a public issue, unless the Issuer is otherwise instructed by a Noteholder or if the Noteholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123, laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123, laws of Malta). Noteholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply. For the purpose of the above, a "recipient" is generally a person who is resident in Malta during the year in which investment income is payable to him or other persons or entities acting on behalf of such resident person or a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall be paid or applied to or for the benefit of such resident persons. The withholding tax is considered a final tax and a Maltese resident individual Noteholder need not declare the interest so received in his income tax return. No person shall be charged further tax in respect of such income. In the case of a valid election made by an eligible Noteholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the progressive rate/s applicable to that person at that time. Additionally, in this latter case, the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123, laws of Malta). Any such election made by a resident Noteholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act (Cap. 123, laws of Malta). In terms of article 12(1)(c) of the Income Tax Act (Cap. 123, laws of Malta) Noteholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act (Cap. 123, laws of Malta) are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

### **13.3 European Union Savings Directive**

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Commissioner for Revenue, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC as amended by Council Directive 2014/48/EU of 24 March 2014.

### **13.4 Foreign Account Tax Compliance Act ("FATCA")**

FATCA is contained within the U.S. Hiring Incentives to Restore Employment (HIRE) Act of 2010. Subsequent to the intergovernmental agreement signed between the U.S. Government and the Maltese

Government on the 16 December 2013, FATCA was transposed into Maltese law by way of Legal Notice 78 of 2014 as amended by Legal Notice 30 of 2015. Investors and prospective investors in the Notes should note that the Issuer is classified under FATCA as a Reporting Malta Financial Institution. As a result, the Issuer is required to report any financial accounts (as this term is defined under FATCA) held with it by specified U.S. persons (as this term is defined under FATCA) to the Maltese tax authorities. Consequently, if at any point in time a Noteholder, whose investment in the Notes is held under nominee by the Issuer, is classified by the Issuer as a specified U.S. person, the Issuer is required, in terms of FATCA, to report details of the Noteholder as well as details of the Noteholder's investment in the Notes to the Maltese tax authorities.

In terms of FATCA, the Issuer may request certain information in order to be in a position to determine if the Noteholder is a specified U.S. person or not. In the event that the Noteholder does not provide the required details to the Issuer, the Issuer may, in terms of FATCA, report such Noteholder to the Maltese tax authorities as recalcitrant or alternatively the Issuer may close all financial accounts of the Noteholder held with it. Any details of the Noteholders which are reported by the Issuer to the Maltese tax authorities will, subsequently, be forwarded by the Maltese tax authorities to the U.S. tax authorities.

### **13.5 Malta Capital Gains on Transfer of the Notes**

As the Notes do not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act (Cap. 123, laws of Malta) that is, "shares and stocks and such like instruments that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return", no Malta tax on capital gains is chargeable in respect of transfer of the Notes held as capital assets at the time of disposal.

### **13.6 Duty on Documents and Transfers**

No Maltese duty on documents and transfers should be chargeable on the issue of the Notes.

After the issue, future transfers of the Notes between Noteholders will also not be dutiable according to the provisions of the Maltese law, specifically the Duty on Documents and Transfers Act.

### **13.7 Exchange of Information**

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

### **13.8 POLAND**

#### **13.9 General Information**

The following is a discussion of certain Polish tax considerations relevant to an investor resident in Poland or which is otherwise subject to Polish taxation. This statement should not be deemed to be tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this Base Prospectus, it may thus be subject to change including a change with retroactive effect. Any change may negatively affect the tax treatment, as described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their personal circumstances. Prospective purchasers of the Notes are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of any Notes. The information provided below does not cover tax consequences

concerning income tax exemptions applicable to specific taxable items or specific taxpayers (eg domestic or foreign investment funds).

The reference to "interest" as well as to any other terms in the paragraphs below means "interest" or any other term as understood in Polish tax law.

### **13.10 Issuer's withholding obligations**

The Issuer, which is a non-Polish entity, is not liable to withhold Polish withholding tax.

### **13.11 Polish tax resident individuals (natural persons)**

A Polish tax resident individual is a natural person who has his/her centre of personal or business interests located in Poland or who stays in Poland for longer than 183 days in a year, unless any relevant tax treaty dictates otherwise.

### **13.12 Interest income**

Under Art. 30a.7 of the Personal Income Tax Act (the Act on Personal Income Tax dated 26 July 1991, as amended (consolidated text, J.L. 2012, No.0, item 361, as amended, the **PIT Act**), interest income does not cumulate with general income subject to the progressive tax rate, but under Art. 30a.1.2 of the PIT Act it is subject to 19 per cent. flat rate tax.

Under Art. 41.4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the 19 per cent. Polish tax upon any interest payment. Under Art. 41.4d of the PIT Act, the entities operating securities accounts for the individuals, acting as tax remitters, should withhold this interest income if such interest income (revenue) has been earned in the territory of Poland and is connected with securities registered in the said accounts, and the interest payment to the individual (the taxpayer) is made through said entities. There are no regulations on where interest income is earned. In practice, unless specific circumstances indicate otherwise, it is considered that interest income is earned at the jurisdiction of the debtor. Although this is not expressly regulated in the tax law, in practice, the obligation to withhold Polish income tax applies only to Polish interest payers and not foreign payers. Consequently, no Polish withholding tax should be withheld on interest payment made from securities issued by a foreign, i.e. not Polish, company.

Separate, specific rules apply to interest income on securities held on Polish omnibus accounts. Under Article 41.10 of the PIT Act, insofar as securities registered in omnibus accounts are concerned, the entities operating omnibus accounts through which the amounts due are paid are liable to withhold the flat-rate income tax on interest income. The tax is charged on the day of placing the amounts due at the disposal of the omnibus account holder.

Pursuant to Article 30a.2a of the PIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Polish omnibus accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19% flat-rate tax is withheld by the tax remitter (under art. 41.10 of the PIT Act the entity operating the omnibus account) from the aggregate income (revenue) released for the benefit of all such taxpayers through the omnibus account holder.

Under Article 45.3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by 30 April of the following year.

Under Article 30a.9 of the PIT Act, withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

### **13.13 Other income**

Income other than interest derived by a Polish tax resident individual from financial instruments held as non-business assets, qualify as capital income according to Art. 17 of the PIT Act. This income does not cumulate with the general income subject to the progressive tax scale but is subject to a 19 per cent. flat rate tax. The costs of acquiring the Notes are recognised at the time the revenue is achieved. In principle, this income should be settled by the taxpayer by 30 April of the year following the year in which the income was earned. No tax or tax advances are withheld by the person making the payments.

### **13.14 Notes held as business assets**

If an individual holds the securities as business assets, in principle, interest and capital gains income should be subject to tax in the same way as other business income. The tax, at 19 per cent. flat rate or the 18 per cent. to 32 per cent. progressive tax rate depending on the choice and meeting of certain conditions by the individual, should be settled by the individual himself/herself.

### **13.15 Polish tax resident corporate income taxpayers**

A Polish tax resident is a corporate income taxpayer having its registered office or place of management in Poland. Such entity is subject to income tax in respect of the securities (including any capital gains and on interest/discount), following the same principles as those which apply to any other income received from business activity. As a rule, for Polish income tax purposes interest is recognised as revenue on a cash basis, i.e. when it is received and not when it has accrued. In respect of capital gains, the cost of acquiring the securities will be recognised at the time the revenue from the disposal of securities for remuneration is achieved. The taxpayer itself (without the involvement of the tax remitter) settles tax on interest (discount) or capital gains on securities, which is aggregated with other income derived from business operations conducted by the taxpayer.

The appropriate tax rate will be the same as the tax rate applicable to business activity, i.e. 19 per cent. for a corporate income taxpayer.

### **13.16 Non-Polish tax residents: natural person or corporate income taxpayers**

A non-Polish tax resident individual is a natural person who does not have his/her centre of personal or business interests located in Poland and who does not stay in Poland for longer than 183 days in a year, unless any respective double tax treaty provides otherwise.

A non-Polish tax resident corporate income taxpayer is a corporate income taxpayer who does not have its registered office or place of management in Poland, unless any respective double tax treaty provides otherwise.

Non-Polish tax resident individuals and corporate income taxpayers are subject to Polish income tax only with respect to their income earned in Poland. There are no explicit regulations on where interest or capital gains or other income is earned. However, in practice it is considered that if securities are issued by a foreign entity, interest should not be considered as having been earned in Poland. In such case capital gains should neither be considered as arising in Poland unless the securities are sold on a stock exchange in Poland (the Warsaw Stock Exchange), in which case the tax authorities may consider the income as originating in Poland. If the latter is the case, however, most of the tax treaties concluded by Poland provide for a tax exemption with respect to Polish income tax on capital gains derived from Poland by a foreign tax resident. In order to benefit from a tax treaty, a foreign investor should present a relevant certificate of its tax residency.

Moreover, with respect to the interest payments, the relevant provisions of the EU Savings Directive may apply.

If a foreign recipient of income acts through a permanent establishment in Poland to which interest is related, as a matter of principle it should be treated in the same manner as a Polish tax resident.

### 13.17 Tax on Civil Law Transactions

In light of Art. 1.1.1.a of the Tax on Civil Law Transactions Act (the Act on the Tax on Civil Law Transactions dated 9 September 2000, as amended (consolidated text, J.L. 2010, No.101, item 649, amended)), agreements for sale or exchange of assets or proprietary rights are subject to tax on civil law transactions. Such transactions are taxable if their subjects are:

- (a) assets located in Poland or proprietary rights exercisable in Poland;
- (b) assets located abroad or proprietary rights exercisable abroad if the acquirer's place of residence or registered office is located in Poland and the civil law transaction was carried out in Poland.

Notes should not be considered as rights exercisable in Poland.

Neither an issuance of Notes nor a redemption of Notes is subject to tax on civil law transactions.

Tax on the sale or exchange of Notes (which, as a rule are considered to be rights) is 1% of their market value. It is payable within 14 days after the sale or exchange agreement has been entered into. However, if such agreement has been entered into in notarial form, the tax due should be withheld and paid by the notary public. Tax on sale of Notes is payable by the entity acquiring the Notes. In the case of exchange agreements, tax on civil law transactions should be payable by both parties jointly and severally.

In practice, however, the majority of transactions such as selling the Notes on a regulated market (within the meaning of the Act on Trading in Financial Instruments) or to or with intermediation of investment firms or foreign investment firms, are tax-exempt.

### 13.18 Remitter's liability

Under Art. 30 of the Tax Code (the Tax Code dated 29 August 1997, as amended (consolidated text, J.L. 2012, item 749, amended)), a tax remitter failing to fulfil its duty to calculate, withhold or pay tax to a relevant tax authority is liable for the tax that has not been withheld or that has been withheld but not paid, up to the value of all its assets. The tax remitter is not liable if the specific provisions provide otherwise or if tax has not been withheld due to the taxpayer's fault. In such a case, the relevant tax authority will issue a decision concerning the taxpayer's liability.

## 14. ROMANIA

*The following is a general description of certain Romanian tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and it is not intended to be, nor should it be construed to be, local or tax advice. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the laws and practice in force as of the date of the Base Prospectus and is subject to any change in law and the interpretation and application thereof that may take effect after such date and could be made with retroactive effect.*

A new Romanian Fiscal Code was brought into force starting with 1 January 2016 (by virtue of Law no. 227/2015 regarding the Fiscal Code as subsequently amended and supplemented - **Romanian Fiscal Code**) introducing important changes in the taxation of financial transactions, especially regarding taxation of individuals. Accordingly, little precedent exists as to the application of this new Fiscal Code. Also, a new **Romanian Fiscal Procedure Code** was brought into force starting with 1

January 2016 (by virtue of Law no. 207/2015 regarding the Fiscal Procedure Code as subsequently amended and supplemented - "Romanian Fiscal Procedure Code"). In this respect, please be aware that there are uncertainties regarding the applicability in practice of some provisions.

#### 14.1 For the purposes of the Romanian Fiscal Code:

- (a) a **resident individual** is defined as any individual who meets at least one of the following conditions: (a) he/she has the domicile in Romania, or (b) he/she has the centre of vital interests (Romanian language: *centrul intereselor vitale*) located in Romania, or (c) he/she is present in Romania for a period or several periods exceeding in aggregate 183 days during any twelve-month period ending in the fiscal year concerned, or (d) he/she is a Romanian citizen working abroad as an officer or an employee of the Romanian state. By way of exception to the above, foreign citizens having diplomatic or consular statute in Romania, or foreign citizens who are employees or officers of an international or intergovernmental organization registered in Romania, foreign citizens who are officers or employees of a foreign state in Romania, as well as their family members will be not deemed tax residents in Romania.
- (b) a **Romanian legal entity** is defined as any legal entity established in accordance with Romanian law;
- (c) a **legal entity established pursuant to European law** is defined as any legal entity established in accordance with and by the mechanics contemplated by European regulations;
- (d) a **resident** in Romania is defined as any Romanian entity, any foreign entity which has its place of effective management in Romania, any entity having its headquarters in Romania, incorporated according to European legislation and any tax resident individual;
- (e) a **foreign legal entity** is defined as any legal entity which is not a Romanian legal entity and any legal entity established pursuant to European law which is not headquartered in Romania;
- (f) a **non-resident individual** is defined as any individual who does not meet the conditions in order to qualify as tax resident individual; and
- (g) a **non-resident** is defined as any foreign legal entity, any tax non-resident individual, and any other foreign entities, including undertakings for collective investment in transferable securities without legal personality, which are not registered in Romania according to the law.

#### 14.2 Taxation of interest

- (a) Taxation of Noteholders not resident in Romania for tax purposes

Individuals and companies who are deemed Romanian tax non-residents are liable to Romanian income tax only on the Romanian source income. As the Issuer is a Malta entity, these would not qualify as Romanian source income, thus the non-resident individuals and companies would not have the obligation to report in Romania the interest income obtained through holding the Notes, with the exception of the case where the interest income is attributable to a Permanent Establishment of the non-resident Noteholder located in Romania.

- (b) Taxation of Noteholders resident in Romania for tax purposes

- (a) Legal entities

Income received on the Notes by resident legal entities in the form of interest on the Notes will be subject to corporate income tax (profit tax) at the rate of 16 per cent.

The income recipient is responsible for declaring and paying the tax in Romania on foreign sourced income, on an annual basis, i.e. there is no withholding at source of

such tax and the Issuer or the paying agents does not assume any responsibility to withhold any payments for or on account of Romanian tax.

Where income tax was withheld at source, based on the tax law of another country, generally a tax credit could be claimed upon the submission of the tax return.

According to the provisions of the Romanian Fiscal Code, the tax credit could be claimed if there are fulfilled, cumulatively, the following conditions:

1. the provisions of a Double Tax Treaty concluded between Romania and a foreign country in which the tax was paid are applicable;
2. the tax credit is applied on the corporate income tax calculated for the year in which the tax was paid in the foreign country if the legal entity presents documentation attesting the payment of tax abroad.

The method of elimination of double taxation (i.e. credit method or exemption method) may vary depending on the specific provisions of the applicable double tax treaty.

#### (b) Individuals

Individuals who are deemed Romanian tax residents are liable to Romanian income tax on their worldwide income. The Romanian income tax rate on interest income is 16% flat, applied to the gross interest obtained. The tax resident individuals have the obligation to declare the interest income obtained from abroad, though submitting a Romanian annual tax return by 25th May of the following year during which the income is obtained (i.e. interest income obtained during 2016 has to be declared by 25 May 2017). Where interest income is obtained from more countries, separate tax returns have to be submitted for each source country (e.g. interest income obtained both from Malta and Liechtenstein, has to be declared through separate annual tax returns, i.e. one for Malta and another one for Liechtenstein).

The income recipient is responsible for declaring and paying the tax in Romania on foreign sourced income, on an annual basis, i.e. there is no withholding at source of such tax and the Issuer or the paying agents does not assume any responsibility to withhold any payments for or on account of Romanian tax.

The Romanian income tax due is assessed by the Romanian tax authorities through issuing tax assessments for each tax return submitted. The income tax has to be paid within 60 days as of the communication date of the tax assessments. Where income tax was withheld at source, generally a tax credit could be claimed upon the submission of the tax return. The tax credit could be claimed if there are fulfilled, cumulatively, the following conditions:

1. the provisions of a Double Tax Treaty concluded between Romania and a foreign country in which the tax was paid are applicable;
2. the tax paid abroad, for the income received abroad, it was paid by the individual. The payment of the tax is justified by a document issued by the competent authority of that country.

Investment income (including interest income and capital gains) is also subject to Romanian health insurance contribution at a rate of 5,5% applied on the tax base. However for the year 2016, where the individual also derives salary/pension income or income from independent activities taxable in Romania, he/she would be exempted

for health insurance contribution on the investment income obtained. As of 2017, health insurance contribution is due on investment income, irrespective if the individual derives also other types of income, such as employment/pension income, income from independent activities, etc.

### 14.3 Taxation of capital gains

#### (a) Taxation of Noteholders not resident in Romania for tax purposes

Individuals and companies who are deemed Romanian tax non-residents are liable to Romanian income tax only on the Romanian source income. As the Issuer is a Malta entity, these would not qualify as Romanian source income, thus the non-resident individuals and companies would not have the obligation to report in Romania the capital gain obtained through holding or selling the Notes, with the exception of the case where the capital gain income is derived by a Permanent Establishment of the non-resident Noteholder located in Romania and the income is attributable to such Permanent Establishment.

#### (b) Taxation of Noteholders resident in Romania for tax purposes

##### (a) Legal entities

Income received by resident legal entities as capital gains from the transfer of Notes, will be subject to corporate income tax (profit tax) at the rate of 16 per cent.

The income recipient is responsible for declaring and paying the tax in Romania on foreign sourced income, on an annual basis, i.e. there is no withholding at source of such tax and the Issuer or the paying agents does not assume any responsibility to withhold any payments for or on account of Romanian tax.

Where income tax was withheld at source, generally a tax credit could be claimed upon the submission of the tax return. The tax credit could be claimed if there are fulfilled, cumulatively, certain conditions (please see above).

##### (b) Individuals

As mentioned above, individuals who are deemed Romanian tax residents are liable to Romanian income tax on their worldwide income. The Romanian income tax rate on capital gains is 16% flat, applied to the net annual capital gain. The individuals have the obligation to declare the capital gains obtained from abroad, through submitting a Romanian annual tax return to the Romanian tax authorities by 25th May of the following year during which the income is obtained (i.e. capital gains obtained during 2016 have to be reported by 25 May 2017). As described above, separate tax returns have to be submitted depending the source of the capital gains obtained.

The capital gain has to be determined at each transaction, however only the annual capital gain/capital loss (calculated as the sum of all the gains and losses incurred during the year) has to be reported on the Romanian annual tax return. Capital losses should also be declared through the annual tax returns, in order to be able to carry them forward during the following seven (7) years and decrease the tax base during the following years.

The Romanian income tax due is assessed by the Romanian tax authorities through issuing tax assessments for each tax return submitted. The income tax has to be paid within 60 days as of the communication date of the tax assessments.

In terms of social security, please see our comments above in respect to investment income.

The income recipient is responsible for declaring and paying the tax in Romania on foreign sourced income, on an annual basis, i.e. there is no withholding at source of such tax and the Issuer or the paying agents does not assume any responsibility to withhold any payments for or on account of Romanian tax.

Where income tax was withheld at source, generally a tax credit could be claimed upon the submission of the tax return. The tax credit could be claimed if there are fulfilled, cumulatively, certain conditions (please see above).

## **15. SLOVAKIA**

The information set out below is a description of certain material Slovak tax consequences of the acquisition, holding, sale, assignment and redemption of the Notes and it does not purport to be a complete analysis of all Slovak tax considerations relating to the Notes that may be relevant to a decision to purchase the Notes. This description does not take into account or discuss the tax laws of any country other than the Slovak Republic nor does it take into account the individual circumstances, financial situation or investment objectives of an investor in the Notes.

This description is based on the tax laws of the Slovak Republic as in effect on the date of this Base Prospectus and their prevailing interpretations available on or before such date. Information in this section is subject to change, which could apply retroactively and could affect the validity of this summary. With regard to certain types of notes, neither official statements of the tax authorities nor court decisions exist and it is not clear how such notes will be treated.

Noteholders should consult their own tax advisors as to the consequences under the tax laws of the country in which they are resident for tax purposes and the tax laws of the Slovak Republic concerning the acquisition, holding, sale, assignment and redemption of the Notes and receiving payments of interest, principal and/or other payments under the Notes, including, in particular, the application to their own situation of the tax considerations discussed below as well as the application of state, local, foreign or other tax laws.

Individuals and legal entities who are tax residents in the Slovak Republic are subject to income taxation (personal income tax or corporate income tax) on their worldwide income, regardless of its source, including interests from the Notes, redemption of the Notes and capital gains from the sale of the Notes. "Income" shall generally mean income both in cash and in kind (even if obtained through an exchange) priced at the value which is usual in the place and at the time of performance or consumption, taking into account its type and quality, and, where appropriate, its condition and grade of depreciation, unless stated otherwise under applicable legislation.

Taxable income from the Notes derived by individuals is taxed at a tax rate of 19% for the part of the annual tax base up to the amount of 176.8 times subsistence minimum and 25% for the part of the annual tax base which exceeds this amount. Income from the sale of the Notes derived by individuals decreased by expenses may be exempt from income tax up to the amount of EUR 500 in one tax period. Taxable income from the Notes derived by individuals may be subject to obligatory health insurance contributions due in Slovakia. It should be noted that the above information on tax rate and exemption(s) applies for the tax period of the year 2015 and may be changed in the following tax periods.

Interests from the Notes and income received upon redemption of Notes representing income sourced outside the Slovak Republic received by the individuals who are tax residents in the Slovak Republic are taxable; the tax base could generally be reduced by mandatory health and social security insurance contributions payable from this income. Capital gain from the sale of the Notes derived by individuals

who are tax residents in the Slovak Republic is taxable, the acquisition price of the Notes and related expenses including mandatory health and social security insurance contributions payable from this income are tax deductible. In general, any loss from sale of the Notes is not recognized for tax purposes.

Taxable income from the Notes derived by legal entities is taxed at a tax rate of 22%. Legal entities who are tax residents in the Slovak Republic which hold the Notes as their business assets pay corporate income tax from interest received and capital gain from the sale / redemption of the Notes within general tax base (determined in accordance with the accounting regulations). Loss from the sale of the Notes may not be recognized for tax purposes provided the taxpayer reported an overall loss from the sale of all notes sold in the respective tax period (exceptions apply).

The Slovak Republic does not apply withholding tax on income from notes having its source in the Slovak Republic, unless the recipient is an individual Slovak tax resident, a non-profit organisation, National Property Fund or the National Bank of Slovakia. Income from the Notes may potentially be qualified as having its source in the Slovak Republic only in rare circumstances, e.g. if the Notes are kept in a securities account maintained by a financial agent who distributes the Notes on behalf of the Issuer. In such case, the financial agent (but not the Issuer itself) could be potentially qualified as the payer of withholding tax in the Slovak Republic at the withholding tax rate of 19% or, if the income from the Notes is distributed to a tax payer of a non-contractual state, 35%. The list of the contractual states is published on the website of the Ministry of Finance of the Slovak Republic.

Due to the repeated recent amendments to the income tax and health insurance contributions regimes, each individual and legal entity must evaluate obligations in this area which may arise under relevant legislation, including transitional provisions.

## **16. SLOVENIA**

The following is a general description of certain Slovenian tax considerations relating to the Notes, based on the Issuer's understanding of the current law and its practice in Slovenia. It does not purport to be a complete analysis of all relevant tax considerations. Furthermore, it only relates to the position of investors who are beneficial owners of the Notes and the interest and may not apply to certain classes of investors. Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Republic of Slovenia of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### **16.1 Income Tax Treatment of Resident Investors**

#### **(a) Individuals (Private Portfolio)**

A resident individual (within the meaning of Sec 6 of the Slovenian Personal Income Tax Act (*Zakon o dohodnini*), hereinafter referred to as the Slovenian PITA) holding the Notes as private assets is subject to Slovenian income tax at the rate of 25% on interest within the meaning of Sec 81 of the Slovenian PITA. Under Sec 81(2) of the Slovenian PITA, the notion of interest includes any compensation from a financial debt arrangement not being considered a return of principal, including compensation for risk or reduction of the principal due to inflation, unless otherwise provided by law, as well as discounts, bonuses, premiums and similar income from a financial debt arrangement. According to the Slovenian tax authorities, payments from financial derivatives (e.g. warrants) fall within the scope of Sec 81(2) of the Slovenian PITA.

In general, the income tax is collected by way of a withholding tax deduction, provided that the income is paid or collected by a domestic paying agent as defined in Sec 58 of the Slovenian Tax Procedure Act (*Zakon o davčnem postopku*). The tax so withheld is final. In case there is no domestic paying agent, the income tax is levied by way of the annual tax assessment, which the recipient has to submit himself.

In general the taxable base equals to the amount of interest received. The taxable base on interest resulting from a sale or redemption of discounted and zero coupon Notes prior to or on maturity of the note shall be the interest calculated for the period from the date of acquisition to the date of sale or redemption of the note.

Any tax on interest withheld under the EU Savings Directive (EU withholding tax) may be, in general, credited against the Slovenian income tax on such income. Any excess amount of EU withholding tax may be, in general, refunded by the Slovenian tax authority.

Under Secs 32(1) and 96(2)(4) of the Slovenian PITA, which provide for a tax exemption for gains from sale of debt securities and derivatives, capital gains from the disposal of the Notes are not subject to income tax. However, capital gains from alienation of the Notes are subject to tax in accordance with the Act on tax on profit from disposal of derivatives (*Zakon o davku od dobička od odsvojitve izvedenih finančnih instrumentov*), which taxes capital gains derived from the alienation of derivatives (as defined in Sec 7 of the Financial Instruments Market Act (*Zakon o trgu finančnih instrumentov*)) and debt securities, except for discounted and zero coupon Notes. In general, a capital gain is determined as the difference between the proceeds from the disposal or redemption (reduced by 1% lump-sum costs) of the Notes and their acquisition costs (increased by 1% lump-sum costs). The tax rate depends on the holding period of the Notes and amounts to

1. 40% in the first 12 months of the holding;
2. 25% in the following 4 years of holding;
3. 15% from the 6th year of the holding;
4. 10% from the 11th year of the holding; and
5. 5% from the 16th year of holding.

After 20 years of the holding, capital gains are not taxable. Capital losses from the disposal or redemption of the Notes held as private assets are, generally, recognized for tax purposes and reduce capital gains, which are taxable under the Act on tax on profit from disposal of derivatives and have been realized in the same tax period.

(b) Individuals (Business Portfolio)

An individual holding the Notes as business assets is, generally, subject to progressive income tax rates up to 50% on his yearly profit (difference between income and expenses). When calculating the profit, the interest from the Notes are considered as taxable income, unless the interest income is excluded from the business income under Sec 54 of the Slovenian PITA (which covers Notes issued in series and regulated within the Slovene Financial Instruments Market Act (*Zakon o trgu finančnih instrumentov*)). In the latter case, the investor is taxable in the same manner as individuals holding the Notes as private portfolio (25% flat rate taxation).

Capital gains from the disposal or redemption of the Notes held as business assets, and not excluded under Article 54 of Slovene PITA, are generally included into the yearly taxable base. Such taxable base is then subject to a progressive income tax rates of up to 50%.

The exemption to this general rule applies, if the individual utilizes the "lump-sum" cost scheme, under which his yearly profit (amount of yearly turnover, diminished by 80% lump-sum costs) is taxed with a 20% flat rate. However, such a scheme may only be utilized by individuals, whose yearly turnover does not exceed EUR 50.000 (or EUR 100.000 if they employ at least one person full time for at least 5 months in a calendar year), provided that they have properly notified the Tax Authority in advance thereof.

(c) Corporations

Interest and capital gains from the Notes held by a Slovenian resident corporation within the meaning of Sec 5 of the Slovenian Corporate Income Tax Act (*Zakon o davku od dohodkov pravnih oseb*) (hereinafter referred to as Slovenian CITA) are, in general, subject to Slovenian corporate income tax (*davek od dohodkov pravnih oseb*) at the flat rate of 17%. The income must be included in the annual tax return.

The companies, whose yearly turnover does not exceed EUR 50.000 EUR (or EUR 100.000 if they employ at least one person full time for at least 5 months in a calendar year) may also utilize the "lump-sum" cost scheme, under which their yearly profit (amount of yearly turnover, diminished by 80% lump-sum costs) is taxed with a 17% flat rate. The Tax Authority has to be properly notified in advance about utilizing such scheme.

## 16.2 Income Tax Treatment of non-Resident Investors

Non-resident holders of the Notes are, in general, not subject to Slovenian income tax, provided that the Notes are not held as business assets of a Slovenian permanent establishment of the investor and the income derived from the Notes does not otherwise constitute Slovenian sourced income.

## 16.3 EU Savings Directive

Under the provisions implementing the EU Directive on the taxation of savings income (2003/48/EC) as applicable from 1 July 2005, Slovenia provides the tax authorities of other EU Member states with details of payments of interests and other similar income paid by a person in Slovenia to an individual resident in another Member State.

## 16.4 Inheritance and gift tax

Individuals and private law entities within the meaning of Sec 3 of the Slovenian Inheritance and Gift Tax Act (*Zakon o davku na dediščine in darila*) are subject to Slovenian inheritance and gift tax in case of a transfer of the Notes by way of inheritance or gift. In general, the tax base is the market value of the transferred property at the time, when the tax liability arises, decreased by debts, costs and charges born by the property. The tax rate depends on the value of the assets transferred and the relationship between the deceased and the heir or between the donator and the recipient. An exemption may apply to certain transfers, such as e.g. transfers between direct descendants and spouses and transfers of movable property of which the total value does not exceed EUR 5,000.

## 16.5 Other taxes

No stamp duties, capital transfer tax or similar other taxes apply in Slovenia upon the purchase, sale or other disposal of the Notes.

## 17. SPAIN

*The following discussion is of a general nature. It is based on the laws presently in force in Spain, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in the Notes or of all the tax consequences that may derive from the subscription, acquisition,*

*holding, transfer, redemption or reimbursement of the Notes and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, regional or local law in Spain, to which they may be subject.*

## **17.1 Individuals with Tax Residence in Spain**

### **(a) Personal Income Tax**

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holders of the Notes may receive under the Notes will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

Both types of income will be included in the savings part of the taxable income subject to Personal Income Tax and will be taxed at the following tax rates: (i) 19 per cent. for financial income up to €6,000; (ii) 21 per cent. for financial income from €6,001 to €50,000; and (iii) 23 per cent. for any amount in excess of €50,000.

Spanish holders of the Notes shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Notes will be calculated as the difference between: (a) their disposal, redemption or reimbursement value; and (b) their acquisition or subscription value. Costs and expenses effectively borne by the holder on the acquisition and transfer of the Notes may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses relating to the management and deposit of the Notes, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Notes cannot be offset if the investor acquires homogeneous Notes within the two-month period prior or subsequent to the transfer of the Notes, until he/she transfers such homogeneous Notes.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

### **(b) Wealth Tax**

- (c) In accordance with Law 48/2015, of 29 October, Wealth Tax has been temporarily restored for the tax period 2016. Wealth Tax is levied on the net worth of an individual's assets and rights. The marginal rates range between 0.2 per cent. and 2.5 per cent. although the final tax rates may vary depending on any applicable regional tax laws and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Wealth Tax must take into account the value of the Notes which they hold as at 31 December each year, when calculating their Wealth Tax liabilities Inheritance and Gift Tax

Inheritance and Gift Tax is levied on individuals' heirs and donees resident in Spain for tax purposes. It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor.

The applicable tax rate currently ranges between 7.65 and 34 per cent. depending on the particular circumstances, although the final tax payable may increase up to 81.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

## **17.2 Legal Entities with Tax Residence in Spain**

### **Corporate Income Tax**

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by entities which are resident for tax purposes in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for limited liability companies is 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

## **17.3 Individuals and Legal Entities with no Tax Residence in Spain**

A non-resident holder of Notes, who has a permanent establishment in Spain to which such Notes are effectively connected with, is subject to Spanish Non-Resident Income Tax on any income under the Notes, including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Corporate Income taxpayers (explained above).

## **17.4 Spanish Withholding Tax**

The Issuer will not be responsible for making any withholding on account of Spanish taxes to the extent it is not resident in Spain and does not have a permanent establishment in Spain to which the issue of the Notes is connected.

However, where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Notes or intervenes as manager in the collection of any income under the Notes, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes. Currently, the withholding tax rate in Spain is 19 per cent.

Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish tax resident individuals, or against final Spanish Corporate Income Tax liability, in the case of Spanish corporate taxpayers, or against final Non-Resident Income Tax, in the case of a Spanish permanent establishment of a non-resident holder of the Notes.

However, holders of the Notes who are Corporate Income taxpayers or Non-Resident Income taxpayers acting through a permanent establishment in Spain can benefit from a withholding tax exemption when the Notes are listed in an OECD official stock exchange.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish Personal Income Tax (Royal Decree 439/2007, of 30 March) and Corporate Income Tax (Royal Decree 634/2015, of 10 July) when intervening in the transfer or reimbursement of the Notes.

## **17.5 Indirect Taxation**

The acquisition, transfer, redemption, reimbursement and exchange of the Notes will be exempt from Transfer Tax and Stamp Duty as well as Value Added Tax.

## 18. UNITED KINGDOM

*The following is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs' practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.*

Payments of interest on the Notes that does not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax. If interest paid on the Notes does have a United Kingdom source, then payments may be made without deduction or withholding on account of United Kingdom income tax in any of the following circumstances.

Payments of interest on Notes may be made without deduction of or withholding on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

Payments of interest on Notes may be made without deduction of or withholding on account of United Kingdom income tax if the Notes are "regulatory capital securities". The Notes will be "regulatory capital securities" if they qualify, or have qualified, as Tier 2 instruments under Article 63 of Commission Regulation (EU) No 575/2013 and form, or have formed, a component of Tier 2 capital for those purposes. This is subject to there being no arrangements the main purpose, or one of the main purposes, of which is to obtain a tax advantage (as defined in section 1139 of the Corporation Tax Act 2010) for any person as a result of the application of the Taxation of Regulatory Capital Securities Regulations 2013 in respect of the Notes.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

An amount may also be required to be withheld from payments on the Notes that have a United Kingdom source and are not interest, but are nevertheless treated as annual payments for United Kingdom tax purposes, on account of United Kingdom income tax at the basic rate. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

## 19. The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transactions tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## SELLING RESTRICTIONS

### 1. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area other than a Public Offer Jurisdiction which has implemented the Prospectus Directive (each, a **Relevant Member State**), and with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) an offer of Notes which are the subject of the offering contemplated by this Base Prospectus cannot be made to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of such Notes to the public may be made in that Relevant Member State at any time:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Issuer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (d) the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- (e) the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State; and
- (f) the expression 2010 PD Amending Directive means Directive 2010/73/EU.

### 2. AUSTRIA

In addition to the cases described in the Section headed "Public Offer Selling Restrictions under the Prospectus Directive" in which the Notes may be offered to the public in a Relevant Member State (including Austria), the Notes may be offered to the public in Austria only:

- (g) if the following conditions have been satisfied:
  - (a) the Base Prospectus, including any supplements but excluding any Final Terms, has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the **FMA**) or, where appropriate, approved in another Member State for the purposes of making offers of Notes to the public and notified to the FMA, all in accordance with the Prospectus Directive, and has been published at least one Austrian bank working day prior to the commencement of the relevant offer of Notes to the public; and
  - (b) the applicable Final Terms for the Notes have been validly published and filed with the FMA on or prior to the date of commencement of the relevant offer of Notes to the public; and

- (c) a notification with the (*Oesterreichische Kontrollbank Aktiengesellschaft*), all as prescribed by the Austrian Capital Market Act (*Kapitalmarktgesetz*, Federal Law Gazette No 625/1991, as amended, the **KMG**), has been filed at least one Austrian bank working day prior to the commencement of the relevant offer of Notes to the public; or
- (h) otherwise in compliance with the **KMG**.

For the purposes of this Austrian selling restriction, the expression "an offer of the Notes to the public" means any communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### 3. CROATIA

Public offering of securities in the Republic of Croatia and their admission to trading on the regulated market in the Republic of Croatia is possible under the following terms:

- (i) a valid prospectus must be published;
- (j) the prospectus must be approved by the Croatian Agency for Supervision of Financial Services (hereinafter the Agency) or by the competent authority of the home Member State if the Republic of Croatia is a host Member State in which event the prospectus and the supplements thereto approved by the competent authority of the home Member State have the same effect as prospectus and any supplements thereto approved by the Agency in accordance with the Croatian Capital Market Act provided that the Agency and the European Securities and Markets Authority are notified about such approval and provided with the: (i) prospectus approval certificate confirming that the prospectus has been prepared in accordance with the provisions of Directive 2003/71/EC; (ii) copy of the approved prospectus; and (iii) translation of the prospectus summary.

Public offering of securities without prior publication of the prospectus is permitted in the following cases:

1. an offer of securities addressed solely to qualified investors;
2. an offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors;
3. an offer of securities addressed to investors who shall pay for subscribed securities a minimum amount of EUR 100,000.00 per investor and for each particular offer;
4. an offer of securities whose denomination per unit amounts to at least EUR 100,000.00;
5. an offer of securities with a total consideration in the European Union of less than 100,000.00 which shall be calculated over a period of 12 months;
6. an offer of shares issued in substitution for shares of the same class already issued, if the issuing of such new shares does not involve any increase in the issued capital;
7. an offer of securities offered in connection with a takeover by means of an exchange offer, provided that a document is available containing information which is regarded by the competent authority as being equivalent to that of the prospectus;
8. an offer of securities allotted in connection with a merger or division, provided that a document is available containing information which is regarded by the competent authority as being equivalent to that of the prospectus, taking into account the requirements of the Community legislation;

9. an offer of shares:
    - 9.1 issued to the existing shareholders on the basis of increase of the share capital from the company's funds;
    - 9.2 otherwise offered or allotted to the existing shareholders free of charge or paid out as dividends to the existing shareholders if such shares are of the same class of shares in respect of which such dividends are paid, provided that a document is available containing the information about the number and nature of such shares and reasons for and details of such offer;
  10. an offer of securities offered, allotted or to be allotted to the existing or former directors or employees by their employer or by an affiliated undertaking provided that the companies have their head office or registered office in the European Union and that a document is made available containing information on the number and nature of the securities and the reasons for and details of the offer;
  11. an offer of securities addressed exclusively to investors who participate in the pre-bankruptcy proceedings in accordance with the financing and operational plan of the issuer, provided the plan or pre-bankruptcy proposal number, nature and other essential elements of such securities.
- (k) Sub-clause c) 10. shall also apply to a company established in third country (outside European Union) whose securities are admitted to trading either on a regulated market or on a third-country market provided that a document referred to in sub-clause c) 10. is available at least in a language customary in the sphere of international finance and provided that the European Commission at the request of the Agency or a competent authority of other Member State, has adopted an equivalence decision regarding the third-country market concerned.
  - (l) any further offer of securities stated as exemption from the obligation to publish the prospectus in sub-clause c) 1. – 5 and 9. shall be deemed a separate offer and in respect of which the offeror is obliged to publish a prospectus pursuant to the Capital Market Act.
  - (m) in case of public offering of securities through financial intermediaries, there is no obligation to publish a prospectus if final offer fulfils conditions of any of sub-clause c) 1. – 5.;
  - (n) in the case of obligation to publish the prospectus referred to in sub-clauses d) and e) it is not necessary to publish a new prospectus as long as a valid prospectus for securities is available pursuant to clause b) above and the issuer or a person responsible for the preparation of such prospectus consents to its use for that purpose.
  - (o) In the case of a public offer of securities exempted from the obligation to publish a prospectus in accordance with the above sub-clauses, the investment company and credit institutions must inform the issuer or request about the conducted categorisation of the investor with due regard to the regulations concerning personal data protection.
  - (p) the issuer, the offeror or the person applying for admission to trading of securities on the regulated market in the Republic of Croatia must notify the Agency on the exercise of exemption to publish the prospectus at least three working days before the commencement of the public offer that will be performed in the Republic of Croatia or the application for the admission to trading of securities on the regulated market.

Under the Croatian Capital Market Act, securities offer to the public or public offer means any communication in any form, by use of any means, containing sufficient information about the terms and conditions of the offer and the securities offered, which information is sufficient

so as to enable an investor to pass decision on purchase or subscription of those securities. The definition also includes the placement of securities through financial intermediaries.

The qualified investors are clients having sufficient experience, knowledge and professional experience to make an independent investment decision and to estimate the risks connected therewith, in particular:

1. entities which are required to be authorised or regulated to operate in the financial markets:
  - 1.1 investment firms
  - 1.2 credit institutions
  - 1.3 other authorised or regulated financial institutions
  - 1.4 insurance companies
  - 1.5 collective investment schemes and management companies of such schemes
  - 1.6 management companies of pension funds and pension funds
  - 1.7 pension insurance companies
  - 1.8 commodity and commodity derivatives dealers
  - 1.9 local companies
  - 1.10 other institutional investors whose principal business activities are not listed under alineas a) to h) and are subject to approval or supervision of the operations on the financial markets;
2. legal entities meeting two of the following size requirement in relation to the preceding financing year:
  - 2.1 total assets amount to not less than HRK 150,000,000.00
  - 2.2 net income in the minimum amount of HRK 300,000,000.00
  - 2.3 capital in the amount of not less than 14,000,000.00.
3. national and regional governments, public bodies managing public debt, central banks, international and supranational institutions such as the World Bank, International Monetary Fund, European Central Bank, European Investment Bank and other seminal international organisations
4. other institutional investors whose main activity is to invest in financial instruments, which are not subject to authorisation and supervision of operations on financial market by the competent authorities, including entities formed for the purpose of securities of assets.

Under the Croatian Capital Market Act, the prospectus is valid for 12 months after its approval for offers to the public or admissions to trading on a regulated market provided the prospectus is supplemented with new information on issuer and securities to be offered to the public or listed on the regulated market.

#### **4. CYPRUS**

No public offering of the Notes may take place in the Republic of Cyprus unless this Base Prospectus, once approved by the competent authority of the home Member State, is notified to the Cyprus Securities and Exchange Commission in accordance with Article 18 of the Prospectus Directive and section 32 of the Cyprus law on the conditions for making an offer to the public of securities, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market of 2005, Law 114(I)/2005, as amended (the "Cyprus Prospectus Law").

Pursuant to section 4(3) of the Cyprus Prospectus Law, any public offering of the Notes in the Republic of Cyprus will be exempted from the obligation to publish the Base Prospectus in the Republic of Cyprus, to the extent that such public offering concerns:

- (q) an offer of securities addressed solely to qualified investors;
- (r) an offer of securities addressed to fewer than one hundred and fifty (150) natural or legal persons per member state, which are not qualified investors;
- (s) an offer of securities which falls under Article 3(2) of the Prospectus Directive.

## 5. CZECH REPUBLIC

No offers or sales of any Notes may be made in the Czech Republic through a public offering, except if in compliance with the Act of the Czech Republic No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the **Capital Market Act**), which under the Capital Market Act comprises any communication to a broader circle of persons containing information on the Notes being offered and the terms under which they may acquire the Notes and which are sufficient for the investor to make a decision to subscribe for, or purchase, such Notes.

No action has been taken or will be taken which would result in the Notes being deemed to have been issued in the Czech Republic or pursuant to Czech law under relevant provisions of the Act of the Czech Republic No. 190/2004 Coll., on Bonds, as amended (the **Bonds Act**), and the issue of the Notes qualifying as "accepting of deposits from the public" by the relevant Issuer in the Czech Republic under Section 2(2) of the Act of the Czech Republic No. 21/1992 Coll., on Banks, as amended (the **Banks Act**), or requiring a permit, registration, filing or notification to the Czech National Bank or other authorities in the Czech Republic in respect of the Notes in accordance with the Capital Market Act, the Banks Act or practice of the Czech National Bank.

All of the laws of the Czech Republic applicable to the conduct of business in the Czech Republic, including the laws applicable to the provision of investment services (within the meaning of the Capital Market Act) in the Czech Republic, in respect of the Notes have been complied with.

No action has been taken or will be taken which would result in the issue of the Notes being considered an intention to manage assets by acquiring funds from the public in the Czech Republic for the purposes of collective investment pursuant to defined investment policy in favour of the investors under the Act of the Czech Republic No. 240/2013 Coll., on Management Companies and Investment Funds, (the **MCIFA**), which implements the Directive 2011/61/EU. Any issue, offer or sale of the Notes has been or will be carried out in strict compliance with the MCIFA.

## 6. FRANCE

Each of the Issuer and the dealers has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that:

- (a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (*offre au public de titres financiers*) in France and it has distributed or caused to be distributed and will distribute or cause to be distributed

to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes in the period beginning on the date of publication of the Base Prospectus in relation to those Notes which has been approved by the *Autorité des marchés financiers* (the **AMF**) in France, and ending at the latest on the date which is twelve (12) months after the date of approval of the Base Prospectus all in accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(b) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French *Code monétaire et financier*.

## 7. GERMANY

The Notes have not been and will not be offered, sold or publicly promoted or advertised in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

## 8. HUNGARY

In addition to the rules applicable to the European Economic Area as described above under "Public Offer Selling Restriction under the Prospectus Directive", in connection with any private placement in Hungary the Distribution Agent has represented and agreed that (i) all written documentation prepared in connection with a private placement in Hungary will clearly indicate that it is a private placement, (ii) it will ensure that all investors receive the same information which is material or necessary to the evaluation of the Issuer's current market, economic, financial and legal situation and its expected development, including that which was discussed in any personal consultation with an investor, and (iii) the following standard wording will be included in all such written communication:

"PURSUANT TO SECTION 18 OF ACT CXX OF 2001 ON THE CAPITAL MARKETS, THIS BASE PROSPECTUS WAS PREPARED IN CONNECTION WITH A PRIVATE PLACEMENT IN HUNGARY."

## 9. IRELAND

Each dealer has represented, warranted and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

- (a) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued (or deemed issued) by the Central Bank of Ireland (the **Central Bank**) under Section 1363 of the Companies Act 2014;
- (b) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;

- (c) the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) (and with effect from 3 July 2016, Regulation (EU) No 259/2014 of the European Parliament and of the Council of 16 April 2014 (the Market Abuse Regulation)) and any rules issued (or deemed issued) by the Central Bank under Section 1370 of the Companies Act 2014; and
- (d) the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

## 10. ITALY

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the **Consolidated Financial Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Consolidated Financial Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraph (a) or (b) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the **Banking Act**); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

## 11. LIECHTENSTEIN

For selling restrictions in respect of Liechtenstein, please see "Public Offer Selling Restriction under the Prospectus Directive" above.

The FMA as the competent authority of the country of origin in line with the Prospectus Directive and as stipulated in Art. 29 of the Liechtenstein Securities Prospectus Act approved this Base Prospectus in accordance with Art. 15 of the Liechtenstein Securities Prospectus Act. In this course the FMA did not entirely investigate the correctness of the information provided in this Base Prospectus, but as required by the law (Art. 3 (1) (r) of the Liechtenstein Securities Prospectus Act) verified the completeness, the coherence and the comprehensibility of this Base Prospectus. In compliance with Art. 17 of the Liechtenstein Securities Prospectus Act, this Base Prospectus subsequently was deposited with the FMA and has been published on the website of the Issuer ([www.estream-energy.com](http://www.estream-energy.com)) in accordance with Art. 17 (3) (c) of the Liechtenstein Securities Prospectus Act.

In accordance with Art. 23 of the Liechtenstein Securities Prospectus Act the Issuer applied that the FMA provides the competent authorities of the Public Offer Jurisdictions with a confirmation that this Base Prospectus was approved in Liechtenstein in accordance with the applicable law. It is furthermore possible that the Issuer requests the FMA in the future to send such a confirmation to the competent

authorities of other Member States of the European Economic Area which have implemented the Prospectus Directive.

## 12. MALTA

The Notes may be offered in Malta only if this Base Prospectus has been passported into Malta in accordance with the provisions of Part VI of Part A of the Second Schedule to the Companies Act, which would require the Liechtenstein Financial Market Authority to provide the Maltese Registrar of Companies with a certificate of approval and a copy of the prospectus as approved, together with, where requested by the Registrar, a translation into English or Maltese of the summary of the Prospectus.

The certificate of approval shall consist of a statement (a) that the Prospectus has been drawn up in accordance with the Prospectus Directive; (b) that the prospectus has been approved, in accordance with the Prospectus Directive, by the Liechtenstein Financial Market Authority; and where applicable (c) of the reasons as to why the Liechtenstein Financial Market Authority authorised, in accordance with the Prospectus Directive, the omission from the prospectus of information which would otherwise have been included.

## 13. POLAND

Under Article 7 of the Act on Public Offerings, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005, as amended (consolidated text, J. L. 2009, No. 185, item 1439) (the **Act on Public Offerings**), a public offering or admission of securities to trading on a regulated market requires an issue prospectus to be made available to the public, unless a relevant exemption applies. Under Article 37 of the Act of Public Offerings, securities of an issuer with its registered office in a Member State for which Poland is a host state may be offered in a public offering or admitted to trading on a regulated market in Poland on completing the passporting procedure described in that act.

Under Article 3 of the Act of Public Offerings, a **Public Offering** consists of making information available to at least 150 persons or to an unspecified addressee in the territory of one member state, in any form and manner, about securities and the conditions for the acquisition of them, provided that this information constitutes satisfactory grounds for making a decision on whether to acquire the securities for consideration.

## 14. ROMANIA

Each dealer and/or Offeror has represented and agreed, and each further dealer which may be appointed in connection with the offering of Notes will be required to represent and agree, that:

- (a) the Notes may not be offered or sold, directly or indirectly, in Romania and neither the Base Prospectus, the Final Terms nor any other offering material or advertisement in connection with the Notes may be distributed or published in Romania, except in circumstances which:
  - (a) constitute a public offering of securities in Romania made on the basis of the Base Prospectus, the Final Terms and any other supplement thereto approved by or, following the approval by the FMA, notified to the Romanian Financial Supervisory Authority (formerly the National Securities Commission) in accordance with article 49 of Regulation No. 1/2006 on issuers and securities operations in the period beginning and ending on the dates specified in the Base Prospectus, the Final Terms, as applicable and if the Issuer has consented in writing to its use for carrying out a public offering of securities in Romania.

For the purpose of this paragraph, the expression "public offering of securities" in relation to any of the Notes means the communication in any form and by any means

of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; or

- (b) constitute an exempt offering which shall not require the Issuer or any offeror or dealer to draw up and publish a prospectus or supplement a prospectus in accordance with article 3(2) of the Prospectus Directive as implemented under article 183 (3) of Law No. 297/2004 on capital markets and article 15 of Regulation No. 1/2006 on issuers and securities operations.

Please note that any subsequent sale or distribution of the Notes on the secondary market in Romania must be made in compliance with the public offer and the prospectus requirement rules and a new assessment of the application of any exemption from prospectus drafting and publication must be made; and

- (b) as regards dealers, it is authorised to perform financial investment services in Romania and any other operations it may be purported to carry out in Romania in relation to the offering of Notes and it will comply with any applicable laws, rules and regulations of Romania, including Law No. 297/2004 regarding capital markets, as amended and supplemented, and all implementing regulations issued by the Romanian Financial Supervisory Authority or by the European Commission.

## 15. SLOVAKIA

The Notes may only be offered in the Slovak Republic in compliance with Act No. 566/2001 Coll. on securities and investment services, as amended, and other applicable Slovak laws.

## 16. SLOVENIA

In addition to the rules applicable to the European Economic Area as described above under "Public Offer Selling Restriction under the Prospectus Directive", each of the Offeror and the Issuer has represented and agreed that (i) it has only made and will only make an offer of Notes to the public in Slovenia following the notification of the approval of this Prospectus to the Slovenian (*Agencija za trg vrednostnih papirjev*) by the FMA and in compliance with the Slovenian (*Zakon o trgu finančnih instrumentov, ZTFI*), especially articles 73 to 80 and 85, as amended or substituted, and any other laws applicable in the Republic of Slovenia governing the issue, offering and sale of securities, and that (ii) any private placement in Slovenia has only been made and will only be made in compliance with the ZTFI, as amended or substituted, and any other laws applicable in the Republic of Slovenia governing the issue, offering and sale of securities.

## 17. SPAIN

In addition to the rules applicable to the European Economic Area as stated above under "Public Offer Selling Restriction under the Prospectus Directive", when the offer is addressed to retail investors in the Kingdom of Spain, any offer sale or delivery of the Notes must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the securities market law.

## 18. UNITED KINGDOM

Each dealer has represented and agreed, and each further dealer appointed under the Base Prospectus will be required to represent and agree, that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the **FSMA**) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, which have been previously published and filed with the FMA, shall be incorporated by reference in, and form part of, this Base Prospectus:

1. the Memorandum of Association of E-Stream Energy GmbH & Co KG dated 02 December 2004 (as supplemented); and
2. Report and Financial Statements of E-Stream Energy GmbH & Co KG for the period from 01 January 2017 to 31 December 2017;
3. audited Report and Financial Statements of E-Stream Energy GmbH & Co KG for the period from 01 January 2018 to 31 December 2018; and

with respect to Timberland Securities Investment plc as Guarantor (in case applicable):

4. the Memorandum of Association of Timberland Securities Investment Ltd. (now: Timberland Securities Investment plc) dated 19 April 2016; and
5. audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2017 to 31 December 2017; and
6. audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2018 to 31 December 2018.
7. the Guarantee and Guarantee II issued by Timberland Securities Investment plc as Guarantor.

## **OFFER TO THE PUBLIC**

The Issuer has requested or will request that the FMA provides to the competent authority in each of the Public Offer Jurisdictions a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. Upon provision of such certificate, an offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdictions during the period set out in section 1 below. The Notes may only be offered or sold in any jurisdictions (including, without limitation, the Public Offer Jurisdictions), in accordance with the requirements of the relevant securities laws and regulations applicable in such jurisdictions.

### **1. OFFER PERIOD**

The offer period will be specified in the Final Terms. The Issuer reserves the right for any reason to close the offer period early. The Issuer reserves the right for any reason to close the offer period early. Subject to the Final Terms the Issuer reserves the right for any reason to continue the offer period after expiry of the period of validity of the Base Prospectus under a succeeding base prospectus.

Notice will be made to investors by means of a notice published on the website of the Issuer ([www.estream-energy.com](http://www.estream-energy.com)). The Issuer will also regularly inform 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 ([www.estream-energy.com](http://www.estream-energy.com)). The Issuer will notify the FMA of the result of the offering of the Notes at the end of the offer period.

### **2. SUBSCRIPTION PERIOD**

Notes will be offered during a subscription period as specified in the Final Terms. Subject to applicable Final Terms, after expiration of the subscription period, the offer period continues or may be continued. In this case, a respective offer will be made without engagement.

### **3. ISSUE PRICE**

During the subscription period or in case the Notes are offered without engagement after expiration of the subscription period, the Issuer will offer and sell each Note at the relevant issue price as determined in the applicable Final Terms. The issue price in respect of the Notes is published on each business day (as defined in the Terms and Conditions) on the Issuer's website ([www.estream-energy.com](http://www.estream-energy.com)) and sent to the FMA in accordance with article 14(2) of the Prospectus Act.

### **4. PUBLICATION OF AN OFFER TO THE PUBLIC**

The offer of the Notes will be made through different communication channels including public announcements, advertisements, mailing of quarterly reports or newsletters to existing or future investors, marketing activities in connection with coordinated advertising brochures and other printed matter.

### **5. METHOD OF CALCULATING THE YIELD**

The yield for Notes will be calculated by the use of the applicable calculation method (as defined in the Terms and Conditions), which determines the effective rate of interest of notes taking into account accrued interest (if any) and the applicable rate of distributions (as determined in the applicable Final Terms). An indication of the yield in respect of the Notes will be specified in the applicable Final Terms. The yield indicated will be calculated as the yield to maturity as at the issue date of the Notes and will not be an indication of future yield.

### **6. CONDITIONS OF THE OFFER**

The Issuer reserves the right to withdraw the offer of Notes for any reason at any time prior to the end of the offer period. In addition, and subject to the Final Terms, the Issuer reserves the continuation of the public offering of the Notes after expiry of the period of validity of the Base Prospectus under a succeeding base prospectus. Subject to the Final Terms, the Issuer reserves the right to continue the public offer subject to the filing of new Final Terms for the Notes under another base prospectus. For the avoidance of doubt, if any application has been made by a potential investor to purchase the Notes and the Issuer exercises the right to withdraw the offer, each such potential investor shall not be entitled to subscribe for or otherwise purchase any Notes. Notice of such withdrawal or cancellation of the issuance of the Notes will be made to investors by means of a notice published on the website of the Issuer ([www.estream-energy.com](http://www.estream-energy.com)) or any successor website.

**7. THE TIME PERIOD DURING WHICH THE OFFER OF THE NOTES WILL BE OPEN AND DESCRIPTION OF THE APPLICATION PROCESS**

Applications for the purchase of Notes can be made to the Issuer with a copy to the Distribution Agent(s) at its/their address(es) as set out in section "*Description of the Parties*". Amendments to the offer period and the application process, if any, will be notified to investors by means of a notice published on the website of the Issuer ([www.estream-energy.com](http://www.estream-energy.com)) or any successor website.

**8. DETAILS OF THE MINIMUM AND/OR MAXIMUM AMOUNT OF APPLICATION**

Subject to applicable Final Terms and further specification, there is no minimum allocation of Notes per investor. The maximum allocation of Notes will be subject only to availability at the time of the application. Also subject to further specification, there are no pre-identified allotment criteria. The Issuer will adopt allotment criteria that ensure equal treatment of prospective investors and the Issuer or the Distribution Agent(s) will notify each applicant of the amount of Notes allotted. All the Notes requested will be assigned up to the maximum amount of the offer.

**9. DETAILS OF THE METHOD FOR PAYING UP AND DELIVERING THE NOTES**

The Notes will be, as the case may be and subject to further determination in the relevant Final Terms, either sold against payment of the issue price to the Issuer or to any agent designated by the Issuer as described under section "*Selling Restrictions*" of this Base Prospectus or free of payment. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor's application.

**10. DESCRIPTION OF POSSIBILITY TO REDUCE SUBSCRIPTIONS AND MANNER FOR REFUNDING EXCESS AMOUNT PAID BY APPLICANTS**

In case not specified in the relevant Final Terms, it is not possible to reduce subscriptions.

**11. MANNER AND DATE IN WHICH RESULTS OF THE OFFER ARE TO BE MADE PUBLIC**

The Issuer will 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 ([www.estream-energy.com](http://www.estream-energy.com)) or any successor website.

**12. CATEGORIES OF POTENTIAL INVESTORS TO WHICH THE NOTES ARE OFFERED**

Offers of Notes may be made in each of the Public Offer Jurisdictions (as specified in the Final Terms) to any person during the offer period. In other EEA countries, offers during the offer period may only be made pursuant to an exemption from the obligation under the Prospectus Directive, as implemented in such countries, to publish a prospectus. Outside of the offer period, offers in all jurisdictions (including the Public Offer Jurisdictions) will only be made pursuant to an exemption from the obligation under the Prospectus Directive, as implemented in such countries, to publish a prospectus.

**13. LIST OF JURISDICTIONS, IN WHICH NON-EXEMPT OFFERS MAY BE MADE**

Non-exempt offers may be made in the Republic of Austria, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the Federal Republic of Germany, the French Republic, Hungary, the Republic of Ireland, the Italian Republic, the Principality of Liechtenstein, the Grand Duchy of Luxembourg, the Republic of Malta, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland.

**14. USE OF PROCEEDS**

The Issuer is free to use the proceeds as it wishes. The net proceeds from the Notes will be used for general corporate purposes or for the purpose of the general funding of the Issuer or will be utilized, directly or indirectly, by being on-lent to group and/or related companies of the Issuer or otherwise as specified in the relevant Final Terms.

## GENERAL INFORMATION

### 1. AUTHORISATION

The issue of the Notes was duly authorised by the resolution of the board of directors of the Issuer during a meeting held on 27 June 2019.

### 2. GUARANTEE

Timberland Securities Investment plc has given solely in regard to the Notes issued with the Conditions titled "Option VI – Terms and Conditions of the Fixed Rate Bearer Notes" or "Option VII – Terms and Conditions of the Fixed Rate Registered Notes" or "Option VIII – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form" its unconditional and irrevocable Guarantee for the due payment of the amounts corresponding to the principal of and interest on the Notes issued by the Issuer in an amount as set out in the relevant Final Terms. The Guarantee will be governed by German law. The Guarantee has come into effect on 26 June 2019. The Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the Guarantee.

Timberland Securities Investment plc has given furthermore solely in regard to the Notes issued with the Conditions titled "Option IX – Terms and Conditions of the Fixed Rate Registered Notes Issued in Dematerialised Form" its unconditional and irrevocable Guarantee II for the due payment of the amounts corresponding to the principal of and interest on the Notes issued by the Issuer in an amount as set out in the relevant Final Terms. The Guarantee II will be governed by German law. The Guarantee will be governed by German law. The Guarantee II has come into effect on 27 June 2019. The Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the Guarantee II.

### 3. LISTING AND ADMISSION TO TRADING

#### *Registered Notes*

An application for the admission to trading of the fixed rate registered notes issued in dematerialised form may be made to Official List of the Malta Stock Exchange and/or the MTF (*Dritter Markt*) of the Vienna Stock Exchange and any other market(s) as defined in the relevant Final Terms. Both the contingent capital fixed rate registered notes and the fixed rate registered notes will not be listed or admitted to trading on any stock exchange. An application for the admission to trading of the contingent capital fixed rate registered notes and/or the fixed rate registered notes may be made to the MTF (*Dritter Markt*) of the Vienna Stock Exchange.

#### *Bearer Notes*

Application may be made to the Luxembourg Stock Exchange for the bearer Notes to be listed on the official list of the Luxembourg Stock Exchange. Application may also be made for the inclusion to trading on the the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange market and/or the Open Market (*Freiverkehr*) of the Munich Stock Exchange market and/or the Open Market (*Freiverkehr*) of the Stuttgart Stock Exchange market and/or the Euro MTF market of the Luxembourg Stock Exchange and/or on MTF (*Dritter Markt*) of the Vienna Stock Exchange. The afore-mentioned markets do not classify as 'regulated' within the meaning of Directive 2014/65/EU on markets in financial instruments, however, are nonetheless subject to regulation emanating from said Directive.

Application for listing and/or for the inclusion to trading may also be made to any other regulated and/or unregulated market.

### 4. CLEARING SYSTEMS

The bearer Notes may be accepted for clearance through the following clearing systems: Euroclear Bank S.A./N.V. (1 Boulevard du Roi Albert II, B-1210 Brussels), Clearstream Banking S.A. (42, avenue J.F. Kennedy, L-1855 Luxembourg), Clearstream Banking AG (The Cube, Mergenthalerallee 61, D-65760 Eschborn).

The Registered Notes Issued in Dematerialised Form may be accepted for clearance through the following clearing systems: Central Securities Depository of the Malta Stock Exchange (Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta).

The International Security Identification Number (ISIN) or other securities identification numbers (if any) for each issue of Notes will be set out in the relevant Final Terms.

## **5. DOCUMENTS AVAILABLE**

During the life span of this Base Prospectus physical copies of the following documents may be inspected during usual business hours at the registered office of the Issuer:

- (a) the Memorandum of Association of E-Stream Energy GmbH & Co KG dated 02 December 2004 (as supplemented); and
- (c) Report and Financial Statements of E-Stream Energy GmbH & Co KG for the period from 01 January 2017 to 31 December 2017; and
- (d) audited Report and Financial Statements of E-Stream Energy GmbH & Co KG for the period from 01 January 2018 to 31 December 2018; and
- (e) any future financial statements of the Issuer; and
- (f) the Memorandum of Association of Timberland Securities Investment Ltd. dated 19 April 2016; and
- (g) audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2017 to 31 December 2017; and
- (h) audited Report and Financial Statements of Timberland Securities Investment plc for the period from 01 January 2018 to 31 December 2018 and
- (i) the Guarantee and Guarantee II issued by Timberland Securities Investment plc as Guarantor.

## **6. SIGNIFICANT OR MATERIAL CHANGE**

There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since its incorporation.

## **7. FORWARD-LOOKING STATEMENTS**

This Base Prospectus contains forward-looking statements. Forward-looking statements are all statements that do not relate to historical or current facts and events. This also applies to statements in the "Risk Factors" and "Business Review and Prospects" sections and wherever the Base Prospectus contains information about the Issuer's future financial performance, plans and expectations regarding the Issuer's business, growth and profitability and the economic environment to which the Issuer is exposed. The forward-looking statements are based on the current assessment made by the Company to the best of its knowledge. Such forward-looking statements are based on assumptions and factors and are therefore subject to risks and uncertainties. Therefore, it is important to read in particular the sections "Risk Factors", "Business Review" and "Business Review and Prospects" which contain a

detailed description of factors that may affect the business development of the Issuer and the industry in which the Issuer operates.

The forward-looking statements are based on the Issuer's current plans, estimates, forecasts and expectations and on certain assumptions which, although the Issuer believes that they are reasonable at this time, may subsequently prove to be incorrect. Many factors may cause the actual performance or earnings or performance of the Issuer to be materially different from any future performance or performance expressed or implied by such forward-looking statements.

These factors include, among others:

- changes in general economic, business or legal conditions,
- political or regulatory changes,
- changes in the Issuer's competitive environment,
- other factors discussed in more detail in the section "Risk Factors", and
- factors that are not known to the Company at the present time.

If, as a result of these factors, risks or uncertainties arise in individual or several cases, or if assumptions made by the Issuer prove to be incorrect, it cannot be excluded that actual results may differ materially from those described in this Base Prospectus as assumed, believed, estimated or expected. For this reason, the Issuer may be prevented from achieving its financial and strategic objectives.

The Company does not intend to go beyond its legal obligation to update such forward-looking statements or to conform them to future events or developments.

Pursuant to applicable laws, the Company is obliged to prepare and publish a supplement to this Base Prospectus if important new circumstances arise or material inaccuracies in the information contained in this Base Prospectus become known which could influence the assessment of the Company's shares and which occur or are determined after the approval of this Base Prospectus and before the final closing of the public offering.

## **8. REFERENCE TO SOURCES OF MARKET INFORMATION AND TECHNICAL TERMS**

The Issuer has not verified information contained in this Base Prospectus from third-party studies on the market environment, market developments, growth rates, market trends and the competitive situation. The Company has accurately reproduced this information from third parties and, to the Company's knowledge and as far as it could infer from the published information, no facts have been misappropriated which would render the reproduced information incorrect or misleading.

Furthermore, information on the market environment, market developments, growth rates, market trends and the competitive situation in the areas in which the Issuer is active is based on estimates made by the Company.

Information derived therefrom which has not been obtained from independent sources may therefore differ from the estimates of the Issuer's competitors or from future surveys by independent sources.

## **9. NOTE ON FINANCIAL AND NUMERICAL DATA**

The financial data contained in this Base Prospectus (including such incorporated by reference), which are the subject of the Company's financial statements, are primarily derived from the issuer's HGB annual financial statements as of December 31, 2018.

This Base Prospectus contains currency information in Euro. Currency information in euros was indicated with "EUR", and currency information in thousand euros was indicated with "TEUR" before the amount and abbreviated. Individual figures (including percentages) in this Base Prospectus have been rounded according to commercial practice. In tables, such commercially rounded figures may not add up exactly to the totals contained in the table.

## 10. LITIGATION AND ARBITRATION

The Issuer was not engaged in any governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which are likely to have a material adverse effect upon the Issuer's financial position or profitability.

## 11. STATUTORY AUDITOR

The audit firm of the Company and its Segregated Portfolios is Vistra GmbH & Co KG, Wirtschaftsprüfungsgesellschaft, having its registered office at Universitätsstraße 71, 50931 Köln, Germany and is registered with the Cologne registry of companies (Handelsregister Amtsgericht Köln) under number HRB 67412 (**Vistra**). The audit firm is a member of the German Institute of Auditors (*Wirtschaftsprüferkammer*).

## 12. POST-ISSUANCE TRANSACTION INFORMATION

The Issuer does not intend to provide any post-issuance transaction information in relation to the issue of the Notes, except if required by any applicable laws and regulations.

## 13. SUPPLEMENTS TO THE BASE PROSPECTUS AND SUCCESSOR BASE PROSPECTUSES

This Base Prospectus will be effective for 12 months from its approval. If this Base Prospectus is updated at a later pursuant to the provisions of the Prospectus Directive and the applicable national legislation implementing the Prospectus Directive, this Base Prospectus will from the date of publication of the relevant supplement be deemed to apply as amended. The supplements will become parts of this Base Prospectus. The supplements will be published and made available in the same manner as this Base Prospectus.

When the Base Prospectus ceases to be effective, the offer may be continued in accordance with the relevant Final Terms and on the basis of a Successor Base Prospectus. Publication of a Successor Prospectus shall be made in accordance with the details set out in the relevant Final Terms.

In the case of a public offering of Notes under this base prospectus (at the same time the **Original Base Prospectus**) the relevant Final Terms may provide for a succession of the public offering of the Notes after the validity of this Base Prospectus, if a successor prospectus is published.

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. **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.

Signed on behalf of E-Stream Energy GmbH & Co KG, represented by its General Partner E-Stream Energy Management GmbH:

By: Mr Thomas Kraemer

A handwritten signature in blue ink, appearing to be 'Thomas Kraemer', enclosed within a large, loopy blue oval.

Duly authorised