

Version number 4 dated 20 December 2021

## **MASTER TERMS AND CONDITIONS**

for

### **GRANITESHARES FINANCIAL PLC**

Collateralised ETP Securities Programme

**Linklaters**

Ref: 01/200/VCS/MSOL/EDL

Linklaters LLP

## **Introduction**

These Master Terms and Conditions have been prepared by GraniteShares Financial plc (the “**Issuer**”) and set out the terms and conditions for each Series of ETP Securities issued by the Issuer under its Collateralised ETP Securities Programme (the “**Programme**”), as modified and supplemented by the Final Terms for such Series.

## MASTER TERMS AND CONDITIONS OF THE ETP SECURITIES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the ETP Securities. The full text of these terms and conditions together with the relevant provisions of Part A of the relevant Final Terms shall be endorsed on the ETP Securities. References in these terms and conditions to “ETP Securities” are to the ETP Securities of one Series only, not to all ETP Securities that may be issued under the Programme.*

Italicised wording contained in these Conditions is included as instructions, guidance or disclosure only and does not form part of the Conditions of the ETP Securities.

A non-binding translation of the following text of the terms and conditions may be prepared in relation to a Series of ETP Securities. The English language version of the terms and conditions shall be binding and prevail in all circumstances.

Copies of the Series Issue Deed, the Master Trust Terms, the Master Terms and Conditions, the Master Agency Terms, the Master Authorised Participant Terms, the Security Deed, the Swap Agreement and the Swap Pledge Agreement referred to in these terms and conditions are available for inspection during normal business hours at the specified office of the Issuer, the Trustee, the Security Trustee, the Issuing and Paying Agent and at the specified offices of each of the Paying Agents and will be sent to a prospective or current Securityholder on request to the Issuer, the Issuing and Paying Agent or a Paying Agent.

References to any time in the Conditions or any Transaction Document are expressed using the 24-hour-clock convention. References in the Conditions or any Transaction Document to a party publishing any value, rate, level, notice or other information shall be deemed to include any agent, delegate or appointee of such party publishing such value, rate, level, notice or other information on behalf of that party.

### 1 Definitions

In the Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Account Control Agreement**” means the triparty account control agreement between the Issuer, the Swap Counterparty and the Swap Collateral Custodian dated 29 March 2019, as novated by the Deed of Novation (and as amended, supplemented, novated or replaced from time to time).

“**Accrued Fee**” has the meaning given to it in the Schedule hereto.

“**Adjustment Event**” has the meaning given to it in Condition 9(c)(i) (*Adjustment Events*).

“**Adjustment Event Notice**” means a notice delivered in accordance with Part 5(hh) (*Adjustment Event*) of the schedule to the Swap Agreement by the Swap Counterparty to the Issuer (copied to each other Transaction Party (other than the Authorised Participant(s))) notifying them of the occurrence of an Adjustment Event.

“**Adjustment Terms Notice**” means a notice delivered in accordance with Part 5(hh) (*Adjustment Event*) of the schedule to the Swap Agreement by the Swap Calculation Agent to the Issuer and the Swap Counterparty (copied to each other Transaction Party (other than the Authorised Participant(s))) notifying them of its determination as to (i) whether any adjustments are required to any of the terms of the Swap Transaction and/or any of the terms of the Conditions to account for the economic effect of the relevant Adjustment Event on the Swap Transaction and the ETP Securities and (ii) the nature and effective date of any such adjustment(s).

“**Affiliate**” means, in relation to any person or entity, any other person or entity controlled, directly or indirectly, by the person or entity, any other person or entity that controls, directly or indirectly, the person or entity or any other person or entity directly or indirectly under common control with the person or entity. For these purposes, “**control**” of any entity or person means the power, directly or indirectly, either to (i) vote 10 per cent. or more of the securities

having ordinary voting power for the election of directors of the relevant person or entity or (ii) direct or cause the direction of the management and policies of such person or entity whether by contract or otherwise.

“**Agency Agreement**” means (i) in relation to any Series of ETP Securities, the agency agreement dated on or about the issue date of such Series of ETP Securities entered into by the Issuer, the Trustee, the Security Trustee, the Issuing and Paying Agent, the Paying Agents and any other parties thereto by the execution of the Issue Deed in respect of such Series of ETP Securities and in the form of the Master Agency Terms (as amended and/or supplemented by such Issue Deed) and as such Agency Agreement is amended, supplemented, novated or replaced from time to time and (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, the Series Agency Agreement.

“**Agent Redemption Event**” has the meaning given to it in Condition 8(d)(v) (*Agent Redemption Event*).

“**Agent Redemption Event Notice**” has the meaning given to it in Condition 8(d)(v) (*Agent Redemption Event*).

“**Agents**” means the Issuing and Paying Agent, the Paying Agents and any Liquidation Agent or any of them and such other agent(s) as may be appointed from time to time in relation to the ETP Securities under the Agency Agreement by acceding to the Issue Deed and the Agency Agreement or any other agreement with the Issuer under which such agent is appointed from time to time in relation to the ETP Securities, as applicable, and any successor or replacement thereto and “**Agent**” means any of them.

“**Agreed Pricing Purchase Settlement Amount**” means an amount per ETP Security equal to (i) the purchase price per ETP Security as agreed between the Swap Counterparty and the relevant Authorised Participant; minus (ii) the Swap Unwind Cost per ETP Security (if any).

“**AP Bid Price Event**” has the meaning given to it in Condition 8(d)(ix) (*AP Redemption Event*).

“**AP Redemption Event**” has the meaning given to it in Condition 8(d)(ix) (*AP Redemption Event*).

“**AP Redemption Event Notice**” has the meaning given to it in Condition 8(d)(ix) (*AP Redemption Event*).

“**Arranger**” means GraniteShares Jersey Limited in its capacity as arranger under the Programme and any successor and/or replacement thereto.

“**Arranger Fee Percentage**” has the meaning given to it in the Schedule hereto.

“**Authorised Participant**” means (i) in relation to any Series of ETP Securities (A) each Authorised Participant specified in the Final Terms and appointed under the Authorised Participant Agreement as at the Series Issue Date and (B) any party that is appointed as an Authorised Participant for such Series of ETP Securities under the Authorised Participant Agreement by acceding to the Issue Deed and the Authorised Participant Agreement, and any successor or replacement thereto and (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, each Series Authorised Participant.

“**Authorised Participant Agreement**” means (i) in relation to any Series of ETP Securities, the authorised participant agreement dated on or about the issue date of such Series of ETP Securities entered into by the Issuer, the Swap Counterparty, each Authorised Participant and any other parties thereto by the execution of the Issue Deed in respect of such Series of ETP Securities and in the form of the Master Authorised Participant Terms (as amended and/or supplemented by such Issue Deed) and as such Authorised Participant Agreement is amended, supplemented, novated or replaced from time to time and (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, the Series Authorised Participant Agreement.

“**Authorised Participant Bankruptcy Event**” means with respect to an Authorised Participant (i) such Authorised Participant becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than

pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator, or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation, and/or (ii) an ISDA Credit Derivatives Determinations Committee announces that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to such Authorised Participant.

“**Bank**” has the meaning given to it in Condition 12(b) (*Payments*).

“**Belgian Law Secured Property**” means the Issuer’s rights, title and interest described in Condition 6(c) (*Belgium Security*) and which is subject to the Belgian Law Security.

“**Belgian Law Security**” has the meaning given to it in Condition 6(c) (*Belgian Law Security*).

“**Bid Price Request Event**” has the meaning given to it in Condition 8(d)(ix) (*AP Redemption Event*).

“**Bid Price Request Notice**” has the meaning given to it in Condition 8(d)(ix) (*AP Redemption Event*).

“**Bid Price Request Period End Date**” has the meaning given to it in Condition 8(d)(ix) (*AP Redemption Event*).

“**CGN**” means a Global Security in classic global note form.

“**Change of Law Redemption Notice**” has the meaning given to it in Condition 8(d)(i) (*Early Redemption Events*).

“**Clearing System**” means (i) Euroclear, (ii) Clearstream, Frankfurt, (iii) Clearstream, Luxembourg or (iv) any other recognised clearing system in which ETP Securities of a Series may be cleared.

“**Clearstream, Frankfurt**” means Clearstream Banking AG, Frankfurt and any successor thereto.

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*, Luxembourg and any successor thereto.

“**Closing Index Level**” means, in relation to an Index in respect of a Transaction and a Scheduled Valuation Day:

- (i) the official closing level of such Index in respect of that Scheduled Valuation Day as calculated and published by the Index Sponsor of such Index and which shall be made available on the Website; or
- (ii) if the Swap Calculation Agent has delivered a Disruption Event Notice in respect of such Transaction, the level for such Index determined in respect of such Disrupted Day in accordance with Part 5(gg) (*Disruption Event and Determination of Closing Index Level*) of the schedule to the Swap Agreement and which shall be made available on the Website.

“**Conditions**” means these terms and conditions as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms.

“**Corporate Services Agreement**” means the corporate services agreement in respect of the Programme dated 26 July 2017 entered into by the Issuer and TMF Administration Services Limited (as corporate services provider) as amended, supplemented, novated or replaced from time to time.

“**Creation Order**” means a request that an Authorised Participant may submit to the Issuer (copied to the Swap Counterparty) in accordance with clause 3.1 (*Request to Issue and Subscribe*) of the Authorised Participant Agreement for the Issuer to issue further ETP Securities to such Authorised Participant.

“**Creation Settlement Amount**” means, in respect of a creation of an ETP Security and the related Creation Settlement Date, an amount per ETP Security equal to (i) the Value per ETP Security in respect of such Creation Trade Date plus (ii) the Swap Upsize Cost per ETP Security (if any).

“**Creation Settlement Date**” means, in respect of a Valid Creation Confirmation Order, the date on which (i) the relevant ETP Securities have been issued in full by the Issuer to the relevant Authorised Participant(s) and (ii) the

Creation Settlement Amount in respect of each ETP Security proposed to be issued has been paid in full by the Authorised Participant(s) to the Issuer, which, as at the Creation Trade Date, is scheduled to be the Scheduled Creation Settlement Date.

“**Creation Suspension Event**” means, in accordance with clause 3.7 (*Creation Suspension Event*) of the Authorised Participant Agreement, the Issuer delivers a notice in writing to the Issuing and Paying Agent and each Authorised Participant (copied to each other Transaction Party) stating that with effect from the date specified in such notice, creations of the ETP Securities shall be suspended, provided that the effective date of any such suspension so specified shall be a day not earlier than the Relevant Business Day following the date of such notice.

“**Creation Trade Date**” means a Relevant Business Day on which a Valid Creation Order Confirmation is delivered by (or on behalf of) the Issuer to the Swap Counterparty and the relevant Authorised Participant in accordance with clause 3.3 (*Valid Creation Order Confirmation*) of the Authorised Participant Agreement.

“**Deed of Novation**” means the deed of novation dated 24 June 2019 between, amongst others, the Issuer, the Swap Collateral Custodian and the Swap Counterparty.

“**Definitive Securities**” means ETP Securities in definitive form and includes any replacement ETP Security issued pursuant to these Conditions.

“**Disrupted Closing Index Level Determination Day**” has the meaning given to it in Condition 9(b)(vii) (*Disruption Event and Determination of Closing Index Level*).

“**Disrupted Day**” means a day in respect of which a Disruption Event Notice has been delivered by the Disruption Event Notification Cut-Off Time.

“**Disruption Adjustment Amount**” has the meaning given to it in the Schedule hereto.

“**Disruption Backstop Date**” has the meaning given to it in Condition 9(b)(v)(B) (*Disruption Event and Determination of Closing Index Level*).

“**Disruption Event**” has the meaning given to it in Condition 9(a) (*Disruption Events*).

“**Disruption Event Notice**” means a notice delivered in accordance with Part 5(gg) (*Disruption Event and Determination of Closing Index Level*) of the schedule to the Swap Agreement by the Swap Counterparty to the Issuer (copied to each other Transaction Party (other than the Authorised Participant(s))) notifying them of the occurrence of a Disruption Event.

“**Disruption Event Notification Cut-Off Time**” means, in respect of any Scheduled Valuation Day:

- (i) in respect of a Series of ETP Securities where “European Exchange Listed Shares” has been specified as “Applicable” in the relevant Final Terms, 17:00 London time on such Scheduled Valuation Day (or, if such Scheduled Valuation Day is not a London and Paris Business Day, 06:00 London time on the immediately following London and Paris Business Day); or
- (ii) in respect of a Series of ETP Securities where “U.S. Exchange Listed Shares” has been specified as “Applicable” in the relevant Final Terms, 06:00 London time on the immediately following London and Paris Business Day.

“**Early Redemption Amount**” means an amount per ETP Security equal to the greater of:

- (i) the Value per ETP Security in respect of the Early Redemption Valuation Date as determined and published in accordance with Condition 5 (*Determination and Publication of Value per ETP Security*); and
- (ii) the Minimum Redemption Amount.

“**Early Redemption Date**” means, the earlier of:

- (i) two London and Paris Business Days after the first day on which no sums remain owing to the Issuer under the Swap Transaction following the relevant Early Redemption Valuation Date; and
- (ii) the day falling 60 calendar days after the relevant Early Redemption Valuation Date (or, if such day is not a London and Paris Business Day, the first following London and Paris Business Day).

“**Early Redemption Event**” has the meaning given to it in Condition 8(d) (*Early Redemption Events*).

“**Early Redemption Valuation Date**” means:

- (i) in relation to an Early Redemption Event (other than a Scheduled Swap Redemption Event) the date of the occurrence of the Early Redemption Event as specified in Condition 8(c) (*Issuer Call Redemption Event*) or 8(d) (*Early Redemption Events*), as applicable;
- (ii) in relation to a Scheduled Swap Redemption Event, three Relevant Business Days prior to the scheduled termination date of the Swap Transaction; and
- (iii) in relation to an Event of Default, the Relevant Business Day following the date of the notice from the Trustee given to the Issuer and the Swap Counterparty pursuant to Condition 14 (*Events of Default*).

“**Eligible Collateral**” means any collateral meeting the eligibility requirements set out in the Account Control Agreement, as amended from time to time.

“**Eligible Swap Collateral Custodian**” means any bank or financial institution whose business includes the provision of account control services and which (i) is incorporated, domiciled and regulated as a custodian in an OECD country and (ii) has a rating equal to the Eligible Swap Collateral Custodian Threshold Rating or higher (or the equivalent rating from any other Rating Agency).

“**Eligible Swap Collateral Custodian Threshold Rating**” means the rating of the relevant Rating Agency specified in the Final Terms.

“**English Law Secured Property**” means the Issuer’s rights, title, interest and benefit and the sums of money, securities, financial instruments or other property described in Condition 6(b) (*English Law Security*) and which is subject to the English Law Security.

“**English Law Security**” has the meaning given to it in Condition 6(b) (*English Law Security*).

“**ETP Securities**” means, unless the context otherwise requires, the securities in the form of notes issued in respect of this Series, as further described in the Final Terms.

“**Euroclear**” means Euroclear Bank S.A./N.V. and any successor thereto.

“**Event of Default**” has the meaning given to it in Condition 14 (*Events of Default*).

“**Event of Default Redemption Notice**” has the meaning given to it in Condition 14 (*Events of Default*).

“**Excess Credit Support Property**” has the meaning given to it in Condition 6(g)(iii) (*Enforcement of Security Constituted under the Swap Pledge Agreement*).

“**Exchange Business Day**” means, in respect of an exchange or quotation system, any Exchange Scheduled Trading Day on which such relevant exchange or quotation system is open for trading during its respective regular trading sessions, notwithstanding such exchange or quotation system closing prior to its scheduled closing time.

“**Exchange Date**” has the meaning given to it in Condition 3 (*Exchange*).

“**Exchange Scheduled Trading Day**” means, in respect of an exchange or quotation system, any day on which such exchange or quotation system is scheduled to be open for trading for its regular trading sessions.

“**Extended Swap Term**” has the meaning given to it in Condition 11(c) (*Term of the Swap Transaction*).

“**Extraordinary Resolution**” means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast, provided that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the ETP Securities outstanding who for the time being are entitled to receive notice of a meeting held in accordance with the Trust Deed shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Securityholders duly convened and held in accordance with the relevant provisions of the Trust Deed.

“**Final Redemption Amount**” means an amount per ETP Security equal to the greater of:

- (i) the Value per ETP Security in respect of the Final Redemption Valuation Date as determined and published in accordance with Condition 5 (*Determination and Publication of Value per ETP Security*); and
- (ii) the Minimum Redemption Amount.

“**Final Redemption Valuation Date**” means the day falling ten Relevant Business Days prior to the Scheduled Maturity Date.

“**Final Swap Payment Amount**” has the meaning given to it in Condition 8(a) (*Final Redemption*).

“**Final Terms**” means the final terms issued specifying the relevant issue details of the ETP Securities, in the form set out in the Issue Deed relating to such ETP Securities or such other form as may be determined by the Issuer.

“**Fitch**” means Fitch Ratings Limited and any successor thereto.

“**FSMA**” means the United Kingdom Financial Services and Markets Act 2000 as amended and/or supplemented from time to time.

“**Global Security**” means the global security representing the ETP Securities.

“**Hedge Position**” has the meaning given to it in the Schedule hereto.

“**holder**” has the meaning given to it in Condition 2 (*Form and Title*).

“**Index**” means (i) an index with an Index Leverage Factor, as further specified in the Final Terms and (ii) any Successor Index thereto.

“**Index Adjustment Factor**” has the meaning given to it in the Schedule hereto.

“**Index Cancellation No Successor Notice**” has the meaning given to it in Condition 8(d)(ii) (*Index Cancellation Redemption Event*).

“**Index Cancellation Redemption Event**” has the meaning given to it in Condition 8(d)(ii) (*Index Cancellation Redemption Event*).

“**Index Leverage Factor**” means, in respect of an Index, the leverage factor applicable in respect of such Index, as specified in the Final Terms.

“**Index License Fee Percentage**” has the meaning given to it in the Schedule hereto.

“**Index Pricing Purchase Settlement Amount**” means an amount per ETP Security equal to (i) the Value per ETP Security in respect of such Purchase Trade Date; minus (ii) the Swap Unwind Cost per ETP Security (if any).

“**Index Sponsor**” means the corporation or entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis, failing whom such person acceptable to the Swap Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person, being the Index Sponsor specified in the Final Terms or such successor index sponsor as may be notified to the Issuer and published on the Website from time to time in accordance with Condition 10(b) (*Successor Index Sponsor*).

“**Initial Early Redemption Event**” has the meaning given to it in Condition 8(b) (*Early Redemption*).



**“Initial Swap Term”** means, prior to any extension in accordance with Condition 11(c) (*Term of the Swap Transaction*), the period from (and including) the Series Issue Date to (and including) the termination date for the Swap Transaction, being (i) the date falling five calendar years after the Series Issue Date or (ii) such other date as may be specified in the Final Terms.

**“Issue Date”** means the issue date of the relevant Tranche of ETP Securities as specified in the Final Terms.

**“Issue Deed”** means (i) in relation to any Series of ETP Securities, the issue deed in respect of such Series of ETP Securities dated on or about the series issue date of such Series of ETP Securities made between, *inter alios*, the Issuer, the Trustee, the Security Trustee and the other parties specified therein as amended, supplemented, novated or replaced from time to time and (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, the Series Issue Deed.

**“Issue Price per ETP Security”** means:

- (i) on the Series Issue Date, the Issue Price per ETP Security as specified in the Final Terms; and
- (ii) in relation to any subsequent Tranche of the ETP Securities issued after the Series Issue Date, the Value per ETP Security (as determined and published on the Website in accordance with Condition 5 (*Determination and Publication of Value per ETP Security*)) in respect of the Creation Trade Date relating to such Tranche, as specified in the Final Terms relating to such Tranche.

**“Issuer”** means GraniteShares Financial plc, a public limited liability company incorporated in Ireland with registration number 608059.

**“Issuer Call Redemption Event”** has the meaning given to it in Condition 8(d)(viii) (*Issuer Call Redemption Event*).

**“Issuer Call Redemption Notice”** has the meaning given to it in Condition 8(c) (*Issuer Call Redemption Event*).

**“Issuer Change in Law or Regulation Redemption Event”** has the meaning given to it in Condition 8(d)(i) (*Issuer Change in Law or Regulation Redemption Event*).

**“Issuing and Paying Agent”** means The Bank of New York Mellon, London Branch and any successor or replacement thereto.

**“Issuing and Paying Agent Bankruptcy Event”** means the Issuing and Paying Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation.

**“Liquidation Agent”** means, any agent appointed to act as Liquidation Agent by the Issuer in respect of the ETP Securities pursuant to Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*).

**“London and Paris Business Day”** means a day that is both a London Business Day and a Paris Business Day.

**“London Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London.

**“Loss”** means any loss, liability, cost, claim, damages, fees, expense (including, but not limited to legal costs and expenses) or demand (or actions in respect thereof), judgment, interest on any judgment, assessment, fees or amounts paid in settlement of any action or claim.

“**Master Agency Terms**” means the master agency terms relating to the Programme with the version number and date as specified in the Final Terms.

“**Master Authorised Participant Terms**” means the master authorised participant terms relating to the Programme with the version number and date as specified in the Final Terms.

“**Master Terms and Conditions**” means the master terms and conditions relating to the Programme with the version number and date as specified in the Final Terms.

“**Master Trust Terms**” means the master trust terms relating to the Programme with the version number and date as specified in the Final Terms.

“**Minimum Redemption Amount**” means, in respect of an ETP Security and subject to amendment in accordance with Condition 8(e)(ii)(A)(I) (*Suspension Threshold Trigger*), the amount specified in the Final Terms being an amount equal to 2 per cent. of the Issue Price per ETP Security as at the Series Issue Date.

“**Minimum Redemption Amount Shortfall**” means, in respect of a Minimum Redemption Amount Shortfall Event, an amount per ETP Security equal to the Minimum Redemption Amount less the related Swap Payment Amount per ETP Security.

“**Minimum Redemption Amount Shortfall Event**” means, in respect of a Series of ETP Securities, the Minimum Redemption Amount payable in respect of each ETP Security being greater than the Swap Payment Amount per ETP Security.

“**Moody’s**” means Moody’s Investors Service and any successor thereto.

“**New York Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in New York, United States of America.

“**Non-Disrupted Scheduled Valuation Day**” means a Scheduled Valuation Day in respect of which the Swap Counterparty has not delivered a Disruption Event Notice.

“**Obligor**” means each person that has an obligation to the Issuer pursuant to the Secured Property.

“**OECD**” means the Organisation for Economic Cooperation and Development and any successor thereto.

“**Original Credit Support**” has the meaning given to it in Condition 11(d) (*Substitution of Posted Collateral*).

“**Original Disrupted Day**” has the meaning given to it in Condition 9(b)(v) (*Disruption Event and Determination of Closing Index Level*).

“**Other Creditor**” means each person that is entitled to the benefit of Other Issuer Obligations.

“**Other Issuer Obligations**” means the obligations and duties of the Issuer owed to any party under the Transaction Documents relating to any Series of ETP Securities other than the Secured Issuer Obligations and “**Other Issuer Obligation**” means any of them.

“**outstanding**” means, for the purposes of the Conditions, the Swap Agreement, the Trust Deed and the Security Deed, in relation to the ETP Securities and a day:

- (i) on the Series Issue Date, the ETP Securities issued on such date; and
- (ii) on any day thereafter, all the ETP Securities issued on or prior to such day except:
  - (a) those that have been redeemed in accordance with Condition 8(a) (*Final Redemption*) or 8(b) (*Early Redemption*);
  - (b) those that have been cancelled for any reason;

- (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Trustee or to the Issuing and Paying Agent and which remain available for payment against presentation and surrender of ETP Securities;
- (d) those that have become void or in respect of which claims have become prescribed;
- (e) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the related Creation Settlement Date has yet to occur;
- (f) those in respect of which a Purchase Settlement Date has occurred;
- (g) those that have been purchased, settled and cancelled as provided in Condition 8(e) (*Purchase of ETP Securities*);
- (h) those mutilated or defaced ETP Securities that have been surrendered in exchange for replacement ETP Securities;
- (i) (for the purpose only of determining how many ETP Securities are outstanding and without prejudice to their status for any other purpose) those ETP Securities alleged to have been lost, stolen or destroyed and in respect of which replacement ETP Securities have been issued; and
- (j) any Global Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions,

provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many Securities are outstanding for the purposes of the Conditions, the Swap Agreement, the Trust Deed and the Security Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those ETP Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding.

**“Paris Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Paris.

**“Party A Optional Termination Event”** means the Swap Counterparty has elected to designate a Swap Early Termination Date and early terminate the Swap Transaction in accordance with Part 1(g)(vi) (*Party A Optional Termination Event*) of the schedule to the Swap Agreement.

**“Party B Optional Termination Event”** means the Issuer has elected to designate a Swap Early Termination Date and early terminate the Swap Transaction in accordance with Part 1(g)(vii) (*Party B Optional Termination Event*) of the schedule to the Swap Agreement.

**“Paying Agents”** means the Issuing and Paying Agent, any other Paying Agents specified in the Final Terms and any successors or replacements thereto.

**“Payment Business Day”** means:

- (i) where the ETP Securities are denominated in a currency other than euro, in relation to a payment, a day (other than a Saturday or Sunday) on which (a) commercial banks and foreign exchange markets settle payments in the principal financial centre for the currency of the relevant payment and (b) the Relevant Clearing System is open; or
- (ii) where the ETP Securities are denominated in euro, a day (a) which is a TARGET Settlement Day and (b) on which the Relevant Clearing System is open.

**“Post-enforcement Minimum Accumulated Amount”** has the meaning given to it in Condition 6(k) (*Accumulation of Moneys*).

“**Posted Collateral**” means, in relation to the Swap Pledge Agreement and the Account Control Agreement and at any given time, all Eligible Collateral credited to the Swap Collateral Account.

“**Posted Collateral Substitution**” has the meaning given to it in Condition 11(d) (*Substitution of Posted Collateral*).

“**Postponed Determination Day**” has the meaning given to it in Condition 9(b)(vii) (*Disruption Event and Determination of Closing Index Level*).

“**Potential Event of Default**” means an event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default.

“**Pre-enforcement Minimum Accumulated Amount**” has the meaning given to it in Condition 6(k) (*Accumulation of Moneys*).

“**Preceding Disrupted Day**” has the meaning given to it in Condition 9(b)(vi) (*Disruption Event and Determination of Closing Index Level*).

“**Proceedings**” has the meaning given to it in Condition 24(a) (*Jurisdiction*).

“**Programme**” means the Collateralised ETP Securities Programme of GraniteShares Financial plc.

“**Programme Maximum Number of ETP Securities**” means 1,000,000,000,000.

“**Publication Event Redemption Notice**” has the meaning given to it in Condition 8(d)(vi) (*Publication Failure Redemption Event*).

“**Publication Failure Event**” has the meaning given to it in Condition 8(d)(vi) (*Publication Failure Redemption Event*).

“**Publication Failure Redemption Event**” has the meaning given to it in Condition 8(d)(vi) (*Publication Failure Redemption Event*).

“**Purchase Order**” means a request that an Authorised Participant may submit to the Issuer (copied to the Swap Counterparty) in accordance with clause 4.1 (*Request for Issuer to Purchase ETP Securities*) of the Authorised Participant Agreement for the Issuer to purchase ETP Securities from the Authorised Participant.

“**Purchase Settlement Amount**” means, in respect of a purchase of an ETP Security by the Issuer and the related Purchase Settlement Date, an amount per ETP Security equal to:

- (i) if the Issuer and the Authorised Participant agree that the Purchase Settlement Amount in respect of such ETP Security shall be the Index Pricing Purchase Settlement Amount, the Index Pricing Purchase Settlement Amount; or
- (ii) if the Issuer and the Authorised Participant agree that the Purchase Settlement Amount in respect of such ETP Security shall be the Agreed Pricing Purchase Settlement Amount, the Agreed Pricing Purchase Settlement Amount.

“**Purchase Settlement Date**” means, in respect of a Valid Purchase Confirmation Order, the date on which (i) the relevant ETP Securities have been surrendered in full by the relevant Authorised Participant(s) to the Issuer and (ii) the Purchase Settlement Amount in respect of each ETP Security proposed to be surrendered has been paid in full by the Issuer to the Authorised Participant(s), which, as at the Purchase Trade Date, is scheduled to be the Scheduled Purchase Settlement Date.

“**Purchase Suspension Event**” has the meaning given to it in Condition 8(e)(ii)(A)(II) (*Suspension Threshold Trigger*).

“**Purchase Trade Date**” means a Relevant Business Day on which a Valid Purchase Order Confirmation is delivered by (or on behalf of) the Issuer to the Swap Counterparty and the relevant Authorised Participants in accordance with clause 4.3 (*Valid Purchase Order Confirmation*) of the Authorised Participant Agreement.

“**Rating Agency**” means any of Fitch, Moody’s and S&P and “**Rating Agencies**” means each of them.

“**Rebalancing Shortfall**” has the meaning given to it in the Schedule hereto.

“**Redemption Amount**” means the Final Redemption Amount or Early Redemption Amount, as applicable.

“**Relevant Business Day**” means the Series Issue Date and each day thereafter that is (i) a London and Paris Business Day and (ii) a Scheduled Valuation Day.

“**Relevant Clearing System**” means each Clearing System so specified in the Final Terms.

“**Relevant Stock Exchange**” means each Stock Exchange (or such other stock exchange) so specified in the Final Terms, if any.

“**S&P**” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

“**Scheduled Creation Settlement Date**” means, in respect of a Creation Trade Date, the second London and Paris Business Day following such Creation Trade Date (subject to adjustment in accordance with Condition 12(h)(ii) (*Business Day Convention and Non-Payment Business Days*) and postponement in accordance with Condition 9(d) (*Postponement of Settlement of Further Issuances and Purchases*)).

“**Scheduled Maturity Date**” means the date specified as such in the Final Terms, provided that if such date is not a London and Paris Business Day, the Scheduled Maturity Date shall be the first following day that is a London and Paris Business Day.

“**Scheduled Purchase Settlement Date**” means, in respect of a Purchase Trade Date, the second London and Paris Business Day following such Purchase Trade Date (subject to adjustment in accordance with Condition 12(h)(ii) (*Business Day Convention and Non-Payment Business Days*) and postponement in accordance with Condition 9(d) (*Postponement of Settlement of Further Issuances and Purchases*)).

“**Scheduled Swap Redemption Event**” has the meaning given to it in Condition 8(d)(iii) (*Scheduled Swap Redemption Event*).

“**Scheduled Valuation Day**” means the Series Issue Date and each day thereafter that is, at any time prior to any determination by the Swap Counterparty that the Index has been cancelled and that no Successor Index exists, a day on which the Index Sponsor is scheduled to publish the level of the Index.

“**Secondary Early Redemption Event**” has the meaning given to it in Condition 8(b) (*Early Redemption*).

“**Section 871(m)**” means section 871(m) of the U.S. Internal Revenue Code of 1986, as amended (or any successor provision of such code).

“**Secured Creditor**” means each person that is entitled to the benefit of Secured Issuer Obligations.

“**Secured Issuer Obligations**” means the obligations and duties of the Issuer:

- (i) under the Trust Deed relating to each Series of ETP Securities and each ETP Security of each Series of ETP Securities;
- (ii) under the Swap Agreement, the Account Control Agreement and the Swap Pledge Agreement;
- (iii) to pay all Taxes (other than any income, corporation or similar tax), fees, costs, charges, expenses, liabilities and other amounts properly payable to the Liquidation Agent; and
- (iv) to pay the Taxes (other than any income, corporation or similar tax), fees, expenses or other amounts due to the Issuing and Paying Agent and the Paying Agents pursuant to the Agency Agreement in respect of each Series of ETP Securities,

and “**Secured Issuer Obligation**” means any of them.

“**Secured Property**” means the English Law Secured Property and the Belgian Law Secured Property.

“**Security**” means the security constituted by the Security Deed.

“**Security Deed**” means the amended and restated security deed dated 24 June 2019 between the Issuer and the Security Trustee (as amended, supplemented, novated or replaced from time to time).

“**Security Enforcement Redemption Notice**” has the meaning given to it in Condition 8(d)(xii) (*Security Enforcement Redemption Event*).

“**Security Enforcement Redemption Event**” has the meaning given to it in Condition 8(d)(xii) (*Security Enforcement Redemption Event*).

“**Security Trustee**” means BNY Mellon Corporate Trustee Services Limited and any successor or replacement thereto.

“**Securityholder**” has the meaning given to it in Condition 2 (*Form and Title*).

“**Securityholders’ Resolution**” means a resolution passed at one or more duly convened meetings of Securityholders held in accordance with each Trust Deed by, or a resolution in writing signed by or on behalf of holders of, in each case, a majority representing at least 75 per cent. in principal amount of the ETP Securities in respect of all Series of ETP Securities outstanding (excluding any ETP Securities in respect of which all claims of the Secured Creditors arising in respect of such ETP Securities and the Transaction Agreements in respect of such ETP Securities have been satisfied in full) as determined (or procured to be determined) by the Issuer (based on the votes given at such duly convened meeting(s) in respect of such ETP Securities or the votes represented by such signed written resolutions) and notified in writing to the Security Trustee (and, for such purposes, if such ETP Securities are denominated in more than one currency, then in order to ascertain whether the percentage threshold for such resolution has been met, the determining party will apply a currency exchange rate (as it shall determine in good faith and a commercially reasonable manner) to the principal amount of such ETP Securities). For such purposes, the Security Trustee shall accept and rely on (without liability to any person) any information or notice provided to it by the determining party without further investigation or verification and a resolution in writing shall, for all purposes, be as valid and effective as a Securityholders’ Resolution passed at one or more meetings duly convened and held in accordance with the provisions of each relevant Trust Deed.

“**Series**” means, in respect of ETP Securities, all ETP Securities having the same ISIN, WKN or other similar identifier.

“**Series Agency Agreement**” means the agency agreement dated on or about the Series Issue Date entered into by the Issuer, the Trustee, the Security Trustee, the Issuing and Paying Agent, the Paying Agents and any other parties thereto by the execution of the Series Issue Deed and in the form of the Master Agency Terms (as amended and/or supplemented by the Series Issue Deed) and as such Series Agency Agreement is amended, supplemented, novated or replaced from time to time.

“**Series Authorised Participant**” means (i) each Authorised Participant specified in the Final Terms and appointed under the Series Authorised Participant Agreement as at the Series Issue Date; and (ii) any party that is appointed as an Authorised Participant for this Series of ETP Securities under the Series Authorised Participant Agreement by acceding to the Series Issue Deed and the Series Authorised Participant Agreement, and any successor or replacement thereto.

“**Series Authorised Participant Agreement**” means the authorised participant agreement dated on or about the Series Issue Date entered into by the Issuer, the Swap Counterparty, each Series Authorised Participant and any other parties thereto by the execution of the Series Issue Deed and in the form of the Master Authorised Participant Terms (as amended and/or supplemented by the Series Issue Deed) and as such Series Authorised Participant Agreement is amended, supplemented, novated or replaced from time to time.

“**Series Issue Date**” means the issue date specified in the Final Terms of the first Tranche of this Series of ETP Securities.

“**Series Issue Deed**” means the issue deed in respect of this Series of ETP Securities dated on or about the Series Issue Date made between, *inter alios*, the Issuer, the Trustee, the Security Trustee and the other parties specified therein as amended, supplemented, novated or replaced from time to time.

“**Series Swap Transaction**” means the fully funded index linked swap transaction entered into by the Issuer and the Swap Counterparty under the Swap Agreement in connection with this Series of ETP Securities.

“**Series Transaction Document**” means each of:

- (i) the Series Issue Deed, the Series Trust Deed, the Series Agency Agreement and the Series Authorised Participant Agreement; and
- (ii) the Security Deed, the Corporate Services Agreement, the Swap Agreement, the Swap Pledge Agreement and the Account Control Agreement,

in each case as amended, supplemented, novated and/or replaced from time to time and “**Series Transaction Documents**” means all such documents.

“**Series Transaction Party**” means a party to a Series Transaction Document (other than the Issuer).

“**Series Trust Deed**” means the trust deed dated on or about the Series Issue Date entered into as a deed by the Issuer, the Trustee and any other parties thereto by the execution of the Series Issue Deed and in the form of the relevant Master Trust Terms (as amended and/or supplemented by the Series Issue Deed) and as such Series Trust Deed is amended, supplemented, novated or replaced from time to time.

“**Specified Currency**” means the currency in which the Series of ETP Securities is denominated, as specified in the Final Terms.

“**specified office**” means, in relation to any Agent, the office identified in respect of such Agent in the Issue Deed or any other office approved by the Trustee and notified to Securityholders in accordance with Condition 20 (*Notices*).

“**Stock Exchange**” means the London Stock Exchange, Euronext Paris, Euronext Amsterdam, the Frankfurt Stock Exchange and/or the Borsa Italiana.

“**Substitute Credit Support**” has the meaning given to it in Condition 11(d) (*Substitution of Posted Collateral*).

“**Substituted Obligor**” has the meaning given to it in Condition 16(d) (*Substitution of Issuer*).

“**Successor Index**” means, as determined by the Swap Calculation Agent pursuant to Part 5(kk) (*Successor Index and Index Sponsor*) of the schedule to the Swap Agreement (i) the Index, as calculated or announced by a successor sponsor acceptable to the Swap Calculation Agent or (ii) a successor index that has replaced the Index using the same or a substantially similar formula for and method of calculation as used in the calculation of the Index.

“**Suspension Threshold Trigger Date**” has the meaning given to it in Condition 8(e)(ii) (*Suspension of Purchases*).

“**Swap Agreement**” means the swap agreement dated as of 3 April 2019, as amended and restated as of 24 June 2019, between the Issuer and the Swap Counterparty in the form of a 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc. together with a Schedule thereto, together with each confirmation entered into thereunder evidencing a Swap Transaction and as such Swap Agreement is amended, supplemented, novated or replaced from time to time.

“**Swap Agreement Redemption Event**” has the meaning given to it in Condition 8(d)(iv) (*Swap Agreement Redemption Event*).

“**Swap Agreement Tax Event**” means a tax event or tax event upon merger has occurred in respect of the Swap Agreement, as further described in Sections 5(b)(iii) and 5(b)(iv), respectively, of the Swap Agreement (as amended by the schedule to the Swap Agreement), pursuant to which a Swap Early Termination Date may occur or be designated by the affected party (being the Issuer or the Swap Counterparty) in accordance with the terms of the Swap Agreement, provided that (i) a transfer has not been agreed in time in accordance with Section 6(b)(ii) of the

Swap Agreement (as amended by the schedule to the Swap Agreement) and (ii) the relevant tax event or tax event upon merger is continuing at the time of designation.

“**Swap Calculation Agent**” means the Swap Counterparty.

“**Swap Collateral Account**” means all of the cash accounts and/or securities accounts established in the name of the Swap Counterparty with the Swap Collateral Custodian pursuant to the Account Control Agreement, and over which security has been granted by the Swap Counterparty in favour of the Issuer pursuant to the Swap Pledge Agreement.

“**Swap Collateral Custodian**” means The Bank of New York Mellon SA/NV and any successor or replacement thereto.

“**Swap Counterparty**” means Natixis and any successor or replacement thereto.

“**Swap Counterparty Bankruptcy Event**” means the occurrence of a Swap Counterparty Event of Default pursuant to Section 5(a)(vii) of the Swap Agreement.

“**Swap Counterparty Default Redemption Event**” has the meaning given to it in Condition 8(d)(x) (*Swap Counterparty Default Redemption Event*).

“**Swap Counterparty Default Redemption Notice**” has the meaning given to it in Condition 8(d)(x) (*Swap Counterparty Default Redemption Event*).

“**Swap Counterparty Event of Default**” means an Event of Default (as defined in the Swap Agreement) in respect of the Swap Counterparty, as further described in Section 5(a) of the Swap Agreement, has occurred or exists, pursuant to which a Swap Early Termination Date may occur or may be designated by the Issuer (or be deemed to have occurred or been designated automatically) in accordance with the terms of the Swap Agreement.

“**Swap Early Termination Date**” has the meaning given to it in Condition 8(d)(iv) (*Swap Agreement Redemption Event*).

“**Swap Payment Amount per ETP Security**” means, in respect of a Series of ETP Securities, the Swap Transaction entered into in connection with such Series of ETP Securities and the Early Redemption Valuation Date or Final Redemption Valuation Date applicable for such Series of ETP Securities, the quotient of (i) the Swap Termination Amount for such Swap Transaction and (ii) the number of ETP Securities outstanding for such Series of ETP Securities as at such Early Redemption Valuation Date or Final Redemption Valuation Date, as applicable.

“**Swap Pledge Agreement**” means the security pledge agreement dated 24 June 2019 between the Issuer and the Swap Counterparty (as amended, supplemented, novated or replaced from time to time).

“**Swap Spread Fee Percentage**” has the meaning given to it in the Schedule hereto.

“**Swap Tax Event Redemption Event**” has the meaning given to it in Condition 8(d)(xi) (*Swap Tax Event Redemption Event*).

“**Swap Tax Event Redemption Notice**” has the meaning given to it in Condition 8(d)(xi) (*Swap Tax Event Redemption Event*).

“**Swap Termination Amount**” means, in respect of a Swap Transaction, the Early Termination Amount (as defined in the Swap Agreement) or Final Swap Payment Amount, as applicable, determined as due and payable pursuant to the terms of such Swap Transaction.

“**Swap Transaction**” means (i) in relation to any Series of ETP Securities, the fully funded index linked swap transaction entered into by the Issuer and the Swap Counterparty under the Swap Agreement in connection with such Series of ETP Securities and (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, the Series Swap Transaction.

“**Swap Unwind Cost per ETP Security**” means an amount equal to (i) the Swap Unwind Costs, divided by (ii) the number of ETP Securities proposed, as at the Purchase Trade Date, to be purchased on the Purchase Settlement Date.



“**Swap Unwind Costs**” means, in respect of a Partial Additional Termination Event, an amount determined by the Swap Counterparty in good faith and a commercially reasonable manner equal to the sum of:

- (i) the sum of (without duplication) (A) any Italian FTT payable by the Swap Counterparty and/or any of its Affiliates and (B) all costs, fees, charges and expenses (including, without limitation, funding costs, expenses and losses) incurred by the Swap Counterparty and/or any of its Affiliates in connection with the termination of a pro rata portion of the relevant Hedge Position; and
- (ii) any Italian FTT payable by the Issuer.

“**Swap Upsize Cost per ETP Security**” means an amount equal to (i) the Swap Upsize Costs, divided by (ii) the number of ETP Securities proposed, as at the Creation Trade Date, to be issued on the Creation Settlement Date.

“**Swap Upsize Costs**” means, in respect of an Upsize Request, an amount determined by the Swap Counterparty in good faith and a commercially reasonable manner equal to the sum of:

- (i) the sum of (without duplication) (A) any Italian FTT payable by the Swap Counterparty and/or any of its Affiliates and (B) all costs, fees, charges and expenses (including, without limitation, funding costs, expenses and losses) incurred by the Swap Counterparty and/or any of its Affiliates in connection with an increase of a pro rata portion of the relevant Hedge Position; and
- (ii) any Italian FTT payable by the Issuer.

“**Swap Value**” means, on any Scheduled Valuation Day, the value of the Swap Transaction as determined in accordance with Part 5(ff) (*Determination of Swap Value in respect of each Transaction*) of the schedule to the Swap Agreement.

“**TARGET Settlement Day**” means a day on which the TARGET System is operating.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

“**Tax**” means any tax, duty, assessment or charge of whatsoever nature (including, without limitation, any tax on income, profits, gains, net wealth, asset values or turnover, value added tax, stamp duty, stamp duty reserve tax, excise, severance, sales, use, transfer, documentary, recording tax or duty or any other similar tax, duty or charge) imposed, levied, collected, withheld or assessed by any government, applicable tax authority or jurisdiction.

“**Tax Adjustment Amount**” has the meaning given to it in the Schedule hereto.

“**Tranche**” means, in relation to ETP Securities of this Series issued on any date, the ETP Securities that are issued on the same Issue Date at the same Issue Price per ETP Security.

“**Transaction Document**” means:

- (i) in relation to any Series of ETP Securities, each of:
  - (a) the Issue Deed, the Trust Deed, the Agency Agreement and the Authorised Participant Agreement; and
  - (b) the Security Deed, the Corporate Services Agreement, the Swap Agreement, the Swap Pledge Agreement and the Account Control Agreement,in each case as amended, supplemented, novated and/or replaced from time to time and “**Transaction Documents**” means all such documents; and
- (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, each Series Transaction Document.

“**Transaction Party**” means (i) in relation to any Series of ETP Securities, a party to a Transaction Document (other than the Issuer) and (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, each Series Transaction Party.

“**Trust Deed**” means (i) in relation to any Series of ETP Securities, the trust deed dated on or about the issue date of such Series of ETP Securities entered into as a deed by the Issuer, the Trustee and any other parties thereto by the execution of the Issue Deed in respect of such Series of ETP Securities and in the form of the relevant Master Trust Terms (as amended and/or supplemented by such Issue Deed) and as such Trust Deed is amended, supplemented, novated or replaced from time to time and (ii) for the avoidance of any doubt, in relation to this Series of ETP Securities, the Series Trust Deed.

“**Trustee**” means (i) BNY Mellon Corporate Trustee Services Limited and any successor or replacement thereto.

“**Valid Creation Order Confirmation**” means, in respect of a Creation Order, a confirmation delivered in accordance with clause 3.3 (*Valid Creation Order Confirmation*) of the Authorised Participant Agreement by (or on behalf of) the Issuer to the Swap Counterparty and the relevant Authorised Participants.

“**Valid Purchase Order Confirmation**” means, in respect of a Purchase Order, a confirmation delivered in accordance with clause 4.3 (*Valid Purchase Order Confirmation*) of the Authorised Participant Agreement by (or on behalf of) the Issuer to the Swap Counterparty and the relevant Authorised Participants.

“**Value per ETP Security**” means, in respect of a Scheduled Valuation Day, an amount (which may not be negative) as determined in accordance with the Schedule hereto.

“**Value per ETP Security Threshold Level Notice**” has the meaning given to it in Condition 8(d)(vii) (*Value per ETP Security Threshold Redemption Event*).

“**Value per ETP Security Threshold Redemption Event**” has the meaning given to it in Condition 8(d)(vii) (*Value per ETP Security Threshold Redemption Event*).

“**Website**” means the website maintained by or on behalf of the Issuer at [www.graniteshares.com/ETPs](http://www.graniteshares.com/ETPs) (or such other website as may be notified to Securityholders in accordance with Condition 20 (*Notices*) from time to time).

## 2 Form and Title

The ETP Securities are issued in bearer form and shall not be exchangeable for any other form of securities. The ETP Securities will be represented on issue by a Global Security in CGN form. The Global Security may be exchanged for Definitive Securities in the circumstances described in Condition 3 (*Exchange*) and any such Definitive Securities shall be serially numbered and shall not be issued with coupons.

Title to the ETP Securities shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any ETP Security shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder. In the Conditions, “**Securityholder**” and “**holder**” means the bearer of any ETP Security of this Series.

## 3 Exchange

The Global Security relating to the ETP Securities is exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not in part for Definitive Securities if the Global Security is held on behalf of a Clearing System and the Relevant Clearing System is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

“**Exchange Date**” means a day falling not less than 60 calendar days after the date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located.

Any such exchange may be effected on or after an Exchange Date by the holder of the Global Security surrendering the Global Security to or to the order of the Issuing and Paying Agent. In exchange for the Global Security, the Issuer

will deliver, or procure the delivery of, duly executed and authenticated Definitive Securities in an aggregate number equal to the number of ETP Securities represented by the Global Security submitted for exchange, security printed in accordance substantially with the form required under the Trust Deed.

#### 4 Constitution and Status

- (a) This Series of ETP Securities is constituted by the Trust Deed and secured by the Security Deed. The ETP Securities are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 6 (*Security*) and recourse in respect of which is limited in the manner described in Condition 6(k) (*Accumulation of Moneys*) and Condition 15 (*Enforcement*).
- (b) The Issuer and each Securityholder agree to treat the ETP Securities as equity of the Issuer for U.S. federal income tax purposes.

#### 5 Determination and Publication of Value per ETP Security

Subject to Condition 9(c) (*Postponement of Determination and Publication of Value per ETP Security*), the Issuer shall, in respect of each Scheduled Valuation Day:

- (a) calculate, or procure the calculation of, the Value per ETP Security in respect of such Scheduled Valuation Day; and
- (b) publish (or procure to be published) by no later than 10:00 London time on the immediately following London and Paris Business Day on the Website:
  - (i) the Value per ETP Security for such Scheduled Valuation Day; and
  - (ii) the related Closing Index Level, Arranger Fee Percentage, Swap Spread Fee Percentage, Index License Fee Percentage, Disruption Adjustment Amount, Index Adjustment Factor and Tax Adjustment Amount, as applicable, used to determine such Value per ETP Security in respect of such Scheduled Valuation Day.

Any calculation of the Value per ETP Security made by (or on behalf of) the Issuer shall be made in good faith and shall (in the absence of manifest error) be final and binding on the Securityholders and the Transaction Parties.

The Issuer (and any party making any calculation on behalf of the Issuer) shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to any Securityholder, any Transaction Party or any other person for any Loss incurred by any such person that arises out of or in connection with its calculation and publication of the Value per ETP Security, provided that nothing shall relieve the Issuer (or any party making any calculation on behalf of the Issuer) from any Loss arising by reason of acts or omissions constituting negligence, wilful default or fraud of the Issuer (or any party making any calculation on behalf of the Issuer).

In particular, the Issuer (or any party making any calculation on behalf of the Issuer) shall, under no circumstances, incur any liability to any Securityholder, any other Transaction Party or any other person for any Loss arising out of or in connection with its calculation and publication of the Value per ETP Security where such calculation has been made correctly in accordance with these Conditions.

#### 6 Security

##### (a) The Security

The Secured Issuer Obligations are secured in favour of the Security Trustee, pursuant to the Security Deed, by the English law security interests set out in Condition 6(b) below (the “**English Law Security**”) and the Belgian law security interests set out in Condition 6(c) below (the “**Belgian Law Security**”).

(b) **English Law Security**

The English law security interests in favour of the Security Trustee securing the Secured Issuer Obligations are as follows:

- (i) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Agency Agreement and the Authorised Participant Agreement, in each case, in respect of each Series of ETP Securities and a first fixed charge over any cash sums (whether in the form of a Creation Settlement Amount or otherwise) received by the Issuer from the Authorised Participants under the Authorised Participant Agreement;
- (ii) an assignment by way of security of all the Issuer's rights, title, interest and benefit present and future in, to and under any agreement pursuant to which the Liquidation Agent is appointed by the Issuer in relation to all Series of ETP Securities;
- (iii) an assignment by way of security of the Issuer's rights, title, interest and benefit present and future in, to and under the Swap Agreement and a first fixed charge over all property, sums or assets received by the Issuer under the Swap Agreement and received by the Issuer in connection with the enforcement of the security granted in favour of the Issuer under the Swap Pledge Agreement; and
- (iv) a first fixed charge over (I) all sums held now or in the future by the Issuing and Paying Agent in respect of any Series of ETP Securities to meet payments due in respect of any Secured Issuer Obligation or Other Issuer Obligation relating to such Series of ETP Securities, (II) any sums of money, securities, financial instruments or other property received or receivable now or in the future by an Agent on behalf of the Issuer under the Swap Agreement, the Account Control Agreement and/or the Swap Pledge Agreement and (III) all sums, securities and any other property held or received by the Liquidation Agent relating to the Swap Agreement, the Account Control Agreement, the Swap Pledge Agreement and any Series of ETP Securities.

(c) **Belgian Law Security**

The Belgian law security interests in favour of the Security Trustee securing the Secured Issuer Obligations are as follows:

- (i) a first ranking pledge (*gage de premier rang*) over all the Issuer's rights, title and interest from time to time in and to all debts of any nature and all other rights to receive money, now or in the future due, owed or payable to it under the Account Control Agreement; and
- (ii) a first ranking pledge (*gage de premier rang*) over all the Issuer's right's title and interest from time to time in and to all debts of any nature and all other rights to receive money, now or in the future due, owed or payable to it under the Swap Pledge Agreement.

(d) **Secured Property as continuing Security**

The Security is granted to the Security Trustee as continuing Security for the Secured Issuer Obligations. In accordance with the Security Deed, prior to any enforcement of the Security, the Security Trustee will be deemed to release from such Security without the need for any notice or other formalities:

- (i) sums held by the Issuing and Paying Agent and/or the Liquidation Agent, as applicable, to the extent required for payment of any sum in respect of any Series of ETP Securities and/or under the Transaction Documents in respect of any Series of ETP Securities which is due and payable (which for the avoidance of doubt shall include, without limitation, Redemption Amounts and amounts payable in respect of default interest (if any) to Securityholders in respect of any Series of ETP Securities in accordance with the Conditions of such Series of ETP Securities, amounts which the Liquidation Agent is permitted to deduct pursuant to Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) of each Series of ETP Securities, amounts payable to

the Swap Counterparty under the Swap Agreement in connection with the increase of the exposure under any Swap Transaction relating to a further issue of ETP Securities of any Series of ETP Securities, amounts payable to the Swap Counterparty under the Account Control Agreement (if any) and Purchase Settlement Amounts payable to any Authorised Participant of any Series of ETP Securities by the Issuer);

- (ii) any part of the Secured Property when it becomes payable to the extent that payment of it may be obtained and duly paid to the Secured Creditors and/or Other Creditors of any Series of ETP Securities under the Transaction Document(s) in respect of such Series of ETP Securities and/or to holders of ETP Securities of any Series of ETP Securities;
  - (iii) any part of the Secured Property to the extent required to effect a transfer of Posted Collateral from the Swap Collateral Account back to the Swap Counterparty in accordance with the terms of the Swap Pledge Agreement and/or the Account Control Agreement;
  - (iv) at any time after the security under the Swap Pledge Agreement becomes enforceable, any part of the Secured Property to the extent required to enable the Issuer and/or the Liquidation Agent to enforce the security under the Swap Pledge Agreement and realise the Posted Collateral in accordance with Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) of each Series of ETP Securities;
  - (v) any part of the Secured Property to the extent required to comply with and subject to the provisions of Conditions 6(n) (*Limited Recourse and Non-Petition*) and 6(o) (*Issuer's Rights as Beneficial Owner of Secured Property*) of each Series of ETP Securities;
  - (vi) any part of the Secured Property to the extent required to give effect to the substitution of the Posted Collateral pursuant to the terms of the Swap Pledge Agreement and the Account Control Agreement;
  - (vii) any part of the Secured Property to the extent required to give effect to the transfer of the Swap Agreement (including any Swap Transaction thereunder), the Account Control Agreement and/or the Swap Pledge Agreement in accordance with the Swap Agreement, the Account Control Agreement and/or the Swap Pledge Agreement, as applicable; and
  - (viii) a *pro rata* amount of the Secured Property in connection with the purchase and cancellation of any ETP Securities of any Series of ETP Securities by the Issuer.
- (e) **Money Received by the Trustee Prior to Enforcement of Security**
- (i) Pursuant to the terms of the Trust Deed, the Issuer agrees, on any date on which a Redemption Amount under these Conditions in respect of any ETP Securities becomes due, unconditionally to pay the Trustee (or to the order of the Trustee) in same day funds, in accordance with the Trust Deed, the Final Redemption Amount or Early Redemption Amount, as applicable, in respect of the ETP Securities which is due and payable on that date together with any default interest payable in relation thereto under Condition 12(i) (*Default Interest*). Notwithstanding anything to the contrary in these Conditions or the Trust Deed, (A) payment of Redemption Amounts due under the ETP Securities pursuant to the Conditions made to the Issuing and Paying Agent in accordance with the terms of the Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of Redemption Amounts in respect of the ETP Securities to the Trustee for the account of the Securityholders except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant Securityholders (whether via payment through the Relevant Clearing System or otherwise) and (B) a payment of a Redemption Amount made after the due date or as a result of the ETP Securities becoming repayable following an Event of Default or the occurrence of an Early Redemption Event shall be deemed to have been made when the full amount due has been received by the Issuing and Paying Agent or the Trustee and notice to that effect has been given to the Securityholders, except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant

Securityholders (whether via payment through the Relevant Clearing System or otherwise). Under the terms of the Trust Deed, the Trustee holds the benefit of this covenant on trust for itself and the Securityholders according to their respective interests.

- (ii) Subject to Condition 6(g)(iii) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) and save for any moneys received in connection with the realisation or enforcement of all or part of the Security, all moneys received by or on behalf of the Trustee will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them, subject to Condition 6(k) (*Accumulation of Moneys*):
- (A) first, in payment or satisfaction of the fees, costs, charges and expenses properly incurred and losses and liabilities incurred by or payable to the Trustee and the Security Trustee under or pursuant to the Transaction Documents in respect of this Series of ETP Securities (including, without limitation, any Taxes (other than any income, corporation or similar tax in respect of the Trustee's and the Security Trustee's remuneration) required to be paid by the Trustee or the Security Trustee in connection with the performance of its obligations under the Transaction Documents in respect of this Series of ETP Securities and the Trustee's or the Security Trustee's remuneration);
  - (B) secondly, in payment or satisfaction of the fees, costs, charges and expenses properly incurred and losses and liabilities incurred by or payable to the Agents under or pursuant to the Transaction Documents in respect of this series of ETP Securities;
  - (C) thirdly, in payment of any amounts owing to the holders of ETP Securities *pari passu* and rateably; and
  - (D) fourthly, in payment of any balance to the Issuer for itself.

If the Trustee holds any moneys in respect of ETP Securities that have become void or in respect of which claims have become prescribed, the Trustee will hold them on the trusts described above.

(f) **Application of Proceeds of Enforcement of Security**

Pursuant to the terms of the Security Deed, subject to Condition 6(g)(ii) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) and Condition 6(k) (*Accumulation of Moneys*), the Security Trustee will apply the proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement and after taking account of (x) any Taxes incurred, withheld or deducted by or on behalf of the Issuer and (y) any amounts which the Liquidation Agent is permitted to deduct from the proceeds of the realisation of the Posted Collateral in accordance with Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) properly incurred by the Liquidation Agent prior to the enforcement of the Security by the Security Trustee (which shall have been certified (including the amounts due to the Liquidation Agent) by the Issuer and the Liquidation Agent to the Security Trustee which certificate shall be conclusive and binding)) as follows:

- (i) first, in payment or satisfaction of all fees, costs, charges and expenses properly incurred and losses, liabilities and other amounts incurred by or payable to the Security Trustee, the Trustee in respect of each Series of ETP Securities or any receiver under or pursuant to the Security Deed and/or the Trust Deed in respect of each Series of ETP Securities and/or any other Transaction Document in respect of each Series of ETP Securities (which for the purpose of this Condition 6(f) (*Application of Proceeds of Enforcement of Security*) and the Security Deed shall include, without limitation, (I) any Taxes required to be paid by the Security Trustee or the Trustee in respect of each Series of ETP Securities in connection with the performance of their respective obligations under the Trust Deed in respect of each Series of ETP Securities and/or the Security Deed and/or any other Transaction Document relating to any Series of ETP Securities (other than any income, corporation or similar tax in respect of the remuneration of the Security Trustee or the Trustee in respect of each Series of ETP Securities), (II)

the costs of enforcing or realising all or some of the Security and (III) the remuneration of the Security Trustee and the Trustee in respect of each Series of ETP Securities);

- (ii) secondly, in payment of any amounts owing to the Issuing and Paying Agent for reimbursement in respect of proper payment of Redemption Amounts and default interest (if any) made to the relevant holders of ETP Securities in respect of each Series of ETP Securities;
- (iii) thirdly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing and Paying Agent and any other Paying Agent(s) pursuant to the Agency Agreement in respect of each Series of ETP Securities, (II) the Liquidation Agent pursuant to the agreement under which the Liquidation Agent (if any) is appointed and (III) any account bank or custodian of the Issuer in connection with any purchase and cancellation of ETP Securities for each Series under such account bank or custodian's contract of appointment with the Issuer;
- (iv) fourthly, in payment of any amounts owing to the Securityholders in respect of each Series of ETP Securities *pari passu* and rateably;
- (v) fifthly, in payment of any amounts owing to the Swap Counterparty under the Swap Agreement; and
- (vi) sixthly, in payment of the balance (if any) to the Issuer.

(g) **Enforcement of Security Constituted Under the Swap Pledge Agreement**

- (i) The security under the Swap Pledge Agreement will become enforceable if (I) a Swap Early Termination Date has been designated or deemed to be designated pursuant to the Swap Agreement in respect of all Swap Transactions thereunder and the Swap Counterparty has not paid in full the amount payable under the Swap Agreement when due or (II) the Swap Counterparty has failed (or has failed to cause the Swap Collateral Custodian) to make, when due, any transfer of Eligible Collateral required to be made by it or the Swap Collateral Custodian to the Swap Collateral Accounts in accordance with the terms of the Account Control Agreement and that failure continues for two London and Paris Business Days after notice of that failure is given by (or on behalf of) the Issuer to the Swap Counterparty and the Swap Collateral Custodian in accordance with the terms of the Swap Pledge Agreement. If the security under the Swap Pledge Agreement becomes enforceable, the Issuer shall use reasonable endeavours to appoint a Liquidation Agent as soon as is reasonably practicable (and provided always that the Issuer shall not be liable for any non-appointment of any Liquidation Agent or for any losses, damages, costs or expenses that result from any such non-appointment) to assist the Issuer in the enforcement of the security granted under the Swap Pledge Agreement. The Liquidation Agent shall be appointed as agent of the Issuer to realise the Posted Collateral under the Swap Pledge Agreement in a timely fashion in accordance with the terms of the Swap Pledge Agreement, the Account Control Agreement and applicable laws, until such time as the Security constituted under the Security Deed has become enforceable and the Security Trustee notifies the Liquidation Agent that it is enforcing such Security and to cease its activities in relation thereto.

In appointing a Liquidation Agent, the Issuer shall act in good faith and shall seek to appoint a Liquidation Agent of good professional standing, having appropriate relevant experience and charging fees that are no higher than is commercially reasonable. The Issuer is under no obligation to obtain more than one quotation for such role and, where there is more than one candidate, may choose the entity it considers best suited to the role, regardless of whether other potential candidates would have charged lower fees. At any time after the security granted pursuant to the Swap Pledge Agreement has become enforceable, the Issuer (or its agent) may authorise and direct the Swap Collateral Custodian to deliver the Posted Collateral held by it to, or to the order of, the Liquidation Agent. Pursuant to the

terms of the Security Deed, the Security described in Condition 6(a) (*The Security*) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to effect the enforcement of the security granted under the Swap Pledge Agreement and the realisation of the Posted Collateral; provided that, for the avoidance of doubt, nothing in this Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) shall operate to release the charges and other security interests over the proceeds of the enforcement of the security under the Swap Pledge Agreement and the realisation of the Posted Collateral.

In realising the Posted Collateral, the Liquidation Agent may take such steps as it considers appropriate in order to effect an orderly realisation in a timely fashion (so far as is practicable in the circumstances), and may effect such realisation at any time or from time to time and may do so in one transaction or in multiple transactions. The Liquidation Agent will not be liable to the Issuer or to the Security Trustee, the Securityholders or any other person merely because a higher price could have been obtained had all or part of the realisation been delayed or taken place at a different time or had the realisation not been effected in stages.

The Liquidation Agent shall be permitted to deduct its remuneration and any Taxes, fees, costs, charges and expenses arising from or connected with the realisation of the Posted Collateral and the enforcement of the security under the Swap Pledge Agreement from the proceeds of any realisation of the Posted Collateral. The Liquidation Agent shall not be liable (x) to account for anything except the actual proceeds of any realisation received by it (after deduction of the amounts (if any) described above) or (y) for any Taxes, fees, costs, charges, losses, damages, liabilities or expenses arising from or connected with any realisation or from any act or omission in relation to any realisation or otherwise unless such Taxes, fees, costs, charges, losses, damages, liabilities or expenses were caused by its own negligence, wilful default or fraud.

Subject as provided above, in carrying out any realisation, the Liquidation Agent (I) will act in good faith and will sell at a price which it reasonably believes to be representative of the price available in the market for the sale of the relevant amount of Posted Collateral being disposed of in the relevant transaction and (II) may sell to itself, or any Affiliate of it, provided that the Liquidation Agent shall sell at a price which it believes to be a fair market price.

- (ii) Prior to the enforcement of the Security constituted under the Security Deed, the Issuer (or its agent) shall, subject to Condition 6(g)(iii) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*), apply the proceeds of the enforcement of the security constituted under the Swap Pledge Agreement after taking account of (x) any Taxes incurred, withheld or deducted by or on behalf of the Issuer and (y) any amounts which the Liquidation Agent is permitted to deduct from the proceeds of the realisation of the Secured Property in accordance with this Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*), as follows:
  - (A) first, in payment or satisfaction of all Taxes, fees, costs, charges and expenses properly incurred and losses and liabilities and other amounts incurred by or payable to the Liquidation Agent (which for the purpose of this Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) shall include, without limitation, (I) any Taxes (other than any income, corporation or similar tax in respect of the Liquidation Agent's remuneration) required to be paid by the Liquidation Agent in connection with the performance of its obligations under these Conditions and/or by the Liquidation Agent on behalf of the Issuer in connection with the realisation of any Posted Collateral, (II) the costs and expenses of the Liquidation Agent in enforcing and/or realising the security under the Swap Pledge Agreement and (III) the Liquidation Agent's remuneration);
  - (B) secondly, in payment or satisfaction of all fees, costs, charges and expenses properly incurred and losses and liabilities and other amounts incurred by or payable to the Security Trustee, the



Trustee in respect of each Series of ETP Securities or any receiver under or pursuant to the Security Deed and/or the Trust Deed in respect of each Series of ETP Securities and/or any other Transaction Document in respect of each Series of ETP Securities (which for the purpose of this Condition 6(g) (*Enforcement of Security Constituted Under the Swap Pledge Agreement*) shall include, without limitation, (I) any Taxes required to be paid by the Security Trustee or the Trustee in connection with the performance of their respective obligations under the Trust Deed in respect of each Series of ETP Securities and/or the Security Deed and/or any other Transaction Document relating to any Series of ETP Securities (other than any income, corporation or similar tax in respect of the remuneration of the Security Trustee or the Trustee in respect of each Series of ETP Securities) and (II) the remuneration of the Security Trustee or the Trustee in respect of each Series of ETP Securities);

- (C) thirdly, in payment of any amounts owing to the Issuing and Paying Agent for reimbursement in respect of proper payment of Redemption Amounts and default interest (if any) made to the relevant holders of ETP Securities in respect of each Series of ETP Securities;
  - (D) fourthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to the Issuing and Paying Agent and any other Paying Agent(s) pursuant to the Agency Agreement in respect of each Series of ETP Securities;
  - (E) fifthly, in payment of any amounts owing to the Securityholders in respect of each Series of ETP Securities *pari passu* and rateably;
  - (F) sixthly, in payment of any other amounts owing to the Swap Counterparty under the Swap Agreement; and
  - (G) seventhly, in payment of the balance (if any) to the Issuer.
- (iii) Pursuant to the terms of the Swap Pledge Agreement, the Issuer (or any relevant Agent of the Issuer) will transfer to the Swap Counterparty any proceeds and Posted Collateral remaining after the enforcement of the security granted in favour of the Issuer under the Swap Pledge Agreement and the liquidation of the Posted Collateral and application of the proceeds of such liquidation by (or on behalf of) the Issuer under the Swap Pledge Agreement in satisfaction in full of the amount(s) due and payable by the Swap Counterparty to the Issuer under the Swap Agreement, the Swap Pledge Agreement and the Account Control Agreement (such remaining proceeds and Posted Collateral, the “**Excess Credit Support Property**”). The Excess Credit Support Property shall, at all times, be and remain the property of the Swap Counterparty and shall not be subject to or form part of the property to be distributed in accordance with the orders of priority in this Condition 6 (*Security*).

(h) **Enforcement of Security Constituted Under the Security Deed**

The Security over the Secured Property shall become enforceable pursuant to the Security Deed if payment of the Redemption Amount in respect of the ETP Securities of any Series of ETP Securities is not made when due on the Scheduled Maturity Date or the relevant Early Redemption Date (as applicable) of such Series of ETP Securities and such payment default continues for more than 14 days.

(i) **Realisation of Security**

At any time after the Security has become enforceable, the Security Trustee may, at its discretion, and shall, if so directed in writing by holders of at least one-fifth in number of the ETP Securities of all Series of ETP Securities then outstanding or by a Securityholders’ Resolution, in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction by the Securityholders, enforce the Security constituted under the Security Deed. The Security Trustee shall not be required to take any action in relation to the enforcement of the Security without first being indemnified and/or secured and/or pre-funded to its satisfaction.

(j) **Realisation of English Law Security**

- (i) **Security Trustee taking possession of English Law Secured Property:** To enforce the English Law Security the Security Trustee may, at its discretion, (i) enforce, terminate and/or realise any Transaction Document (other than the Swap Pledge Agreement and the Account Control Agreement) relating to any Series of ETP Securities in accordance with its or their terms, and/or take action against any Obligor(s) with respect to the English Law Secured Property and/or (ii) take possession of and/or realise all or part of the English Law Secured Property over which the English Law Security shall have become enforceable and may in its discretion, sell, call in, collect and convert into money all or part of the English Law Secured Property, in such manner and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders of any Series of ETP Securities and the Security Trustee will not be obliged or required to take any action or step unless pre-funded and/or secured and/or indemnified to its satisfaction.
- (ii) **Appointment of receiver:** The Security Trustee may, in writing, appoint a receiver of all or part of the English Law Secured Property over which any English Law Security shall have become enforceable and may remove any receiver so appointed and appoint another in its place. No delay or waiver of the right to exercise these powers shall prejudice their future exercise. Any such receiver so appointed shall be the Issuer's agent for all purposes. The Issuer alone shall be responsible for the acts, omissions, defaults or misconduct of any receiver appointed by the Security Trustee.

(k) **Realisation of Belgian Law Security**

To enforce the Belgian Law Security the Security Trustee may, at its discretion, enforce the Belgian Law Security in respect of the Belgian Law Secured Property and apply the received amounts towards satisfaction of the Secured Issuer Obligations without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders of any Series of ETP Securities and the Security Trustee shall not be obliged or required to take any action or step unless pre-funded and/or secured and/or indemnified to its satisfaction.

(l) **Liability of Security Trustee, receiver, attorneys or agents**

Neither the Security Trustee nor any receiver appointed by it or any attorney or agent of the Security Trustee will, by reason of taking possession of any Secured Property or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such Secured Property or from any act or omission to such Secured Property or otherwise unless such loss or damage shall be caused by its own negligence, wilful default or fraud. Nothing shall oblige the Security Trustee, nor shall it have any duty, to become a mortgagee in possession.

(m) **Accumulation of Moneys**

If the amount of the moneys at any time available to the Trustee for payment of Redemption Amounts in respect of the ETP Securities in accordance with Condition 6(e) (*Money Received by the Trustee Prior to Enforcement of Security*) is less than 10 per cent. of the aggregated Early Redemption Amount or Final Redemption Amount of all ETP Securities outstanding as determined on the Early Redemption Valuation Date or Final Redemption Valuation Date, as applicable (the "**Pre-enforcement Minimum Accumulated Amount**"), the Trustee shall not be obliged to make any payments in accordance with Condition 6(e) (*Money Received by the Trustee Prior to Enforcement of Security*) and shall place the same on deposit into a non-interest bearing account (and, for the avoidance of doubt, the Trustee shall not be required to exercise any form of investment discretion with respect to such deposits) in the name or under the control of the Trustee at such bank or financial institution and in such currency as the Trustee may think fit. The Trustee shall accumulate such moneys until the accumulations, together with any other funds for the time being under its

control and available for such payment, amount to at least the Pre-enforcement Minimum Accumulated Amount and then such accumulations and funds (after deduction of, or provision for, any applicable Taxes) shall be applied as specified in Condition 6(e) (*Money Received by the Trustee Prior to Enforcement of Security*).

If the amount of the moneys at any time available to the Security Trustee for payment of Redemption Amounts in respect of each Series of ETP Securities in accordance with Condition 6(f) (*Application of Proceeds of Enforcement of Security*) is less than 10 per cent. of the aggregated Early Redemption Amount or Final Redemption Amount of all ETP Securities of each Series of ETP Securities outstanding as determined on the Early Redemption Valuation Date or Final Redemption Valuation Date, as applicable, of each Series of ETP Securities (the “**Post-enforcement Minimum Accumulated Amount**”), the Security Trustee shall not be obliged to make any payments in accordance with Condition 6(f) (*Application of Proceeds of Enforcement of Security*) and shall place the same on deposit into a non-interest bearing account (and, for the avoidance of doubt, the Security Trustee shall not be required to exercise any form of investment discretion with respect to such deposits) in the name or under the control of the Security Trustee at such bank or financial institution and in such currency as the Security Trustee may think fit. The Security Trustee shall accumulate such moneys until the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least the Post-enforcement Minimum Accumulated Amount and then such accumulations and funds (after deduction of, or provision for, any applicable Taxes) shall be applied as specified in Condition 6(f) (*Application of Proceeds of Enforcement of Security*).

(n) **Limited Recourse and Non-Petition**

- (i) Other than following the occurrence of a Minimum Redemption Amount Shortfall Event, notwithstanding anything in the Transaction Documents to the contrary, the Transaction Parties and Securityholders in respect of each Series of ETP Securities shall have recourse only to the Secured Property, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 6 (*Security*), the Trust Deed and the Security Deed, as applicable, any outstanding claim against the Issuer in respect of the Secured Issuer Obligations remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim in accordance with this Condition 6(n) (*Limited Recourse and Non-Petition*), none of the Transaction Parties in respect of any Series of ETP Securities, the Securityholders in respect of any Series of ETP Securities or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.
- (ii) Following the occurrence of a Minimum Redemption Amount Shortfall Event, notwithstanding anything in the Transaction Documents to the contrary, the Transaction Parties and Securityholders in respect of the Series of ETP Securities under which such Minimum Redemption Amount Shortfall Event has occurred shall have recourse only to a portion of the Secured Property relating to the Issuer’s rights in respect of the Swap Termination Amount due and payable under the Swap Transaction entered into in connection with such Series of ETP Securities (including any amounts already received by the Issuer from the Swap Counterparty in respect of such Swap Termination Amount), subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of such portion of the Secured Property relating to the Issuer’s rights in respect of such Swap Termination Amount (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 6 (*Security*), the Trust Deed and the Security Deed, as applicable, any outstanding claim against the Issuer in respect any Minimum Redemption Amount Shortfall relating to any ETP Security remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the

Issuer in respect thereof. Following the extinguishment of any such claim in accordance with this Condition 6(n) (*Limited Recourse and Non-Petition*), none of the Transaction Parties in respect of any Series of ETP Securities, the Securityholders in respect of any Series of ETP Securities or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

- (iii) None of the Transaction Parties in respect of any Series of ETP Securities, the Securityholders in respect of any Series of ETP Securities or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets.
- (iv) The provisions of this Condition 6(n) (*Limited Recourse and Non-Petition*) shall survive notwithstanding any redemption of the ETP Securities or the termination or expiration of any Transaction Document in respect of this Series of ETP Securities.

(o) **Issuer's Rights as Beneficial Owner of Secured Property**

At any time before any Security becomes enforceable, the Issuer may, with the sanction of a Securityholders' Resolution or with the prior written consent of the Security Trustee:

- (i) take such action in relation to the Secured Property as it may think expedient; and
- (ii) exercise any rights incidental to the ownership of the Secured Property which are exercisable by the Issuer and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any such ownership interests in respect of such property.

The Issuer shall not exercise any rights with respect to the Secured Property, unless it has the consent referred to above or is directed to do so by a Securityholders' Resolution and, if such direction or consent is given, the Issuer shall act only in accordance with such direction or consent, provided that, prior to the enforcement of the Security, the Issuer may release or modify the rights and assets which are comprised in the Secured Property without any further action or consent being required on the part of the Security Trustee to the extent necessary in connection with any of the circumstances described in Condition 6(d) (*Secured Property as continuing Security*) in relation to which the Security over such Secured Property is released.

## 7 Restrictions

So long as any of the ETP Securities of any Series of ETP Securities remain outstanding, the Issuer shall not, without the prior written consent of the Security Trustee:

- (a) engage in any business activities, save that the Issuer may without consent engage in any of the following activities (or any other business activity which relates to or is incidental thereto):
  - (i) issue, enter into, amend, exchange or repurchase and cancel or reissue or resell all or some only of the ETP Securities of any Series of ETP Securities as may be provided in the Conditions of such Series and the Trust Deed and Transaction Documents relating to such Series of ETP Securities and in connection therewith enter into or amend Transaction Documents relating to such Series of ETP Securities accordingly;
  - (ii) acquire and own rights, property or other assets which are to comprise Secured Property for each Series of ETP Securities so as to enable it to discharge its obligations under each Series of ETP Securities, and any Transaction Document relating to any such Series of ETP Securities;

- (iii) perform its respective obligations under (A) any ETP Securities issued under the Programme, (B) any Transaction Document entered into in connection with any such Series of ETP Securities, and (C) any agreements incidental to the granting of Security under the Security Deed relating to each Series of ETP Securities or incidental to the issue and constitution of any Series of ETP Securities;
  - (iv) engage in any activity in relation to the Secured Property, the Posted Collateral, the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement or any other Transaction Document relating to any Series of ETP Securities contemplated by the Conditions of any Series of ETP Securities, the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement or any Transaction Document relating to any Series of ETP Securities;
  - (v) subject as provided in any Trust Deed relating to a Series of ETP Securities, the Security Deed and the Conditions of any Series of ETP Securities, enforce any of its rights whether under the Trust Deed relating to any Series of ETP Securities, the Security Deed, any other Transaction Document relating to any Series of ETP Securities or otherwise under any agreement entered into in relation to any Series of ETP Securities or the Secured Property; and
  - (vi) perform any other act incidental to, or necessary in connection with, any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);
- (b) cause or permit the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement, the terms of the Security granted under the Security Deed or the order of priority specified in the Conditions of each Series of ETP Securities, each Trust Deed relating to a Series of ETP Securities and the Security Deed, as applicable, to be amended, terminated or discharged (other than as contemplated by such Trust Deed, the Security Deed, the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement and/or the Conditions relating to any Series of ETP Securities);
  - (c) release any party to the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement, each Trust Deed relating to a Series of ETP Securities, the Security Deed or any other Transaction Document relating to any Series of ETP Securities from any existing obligations thereunder (other than as contemplated by such Trust Deed, the Security Deed, the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement and/or the Conditions relating to any Series of ETP Securities);
  - (d) have any subsidiaries;
  - (e) sell, transfer or otherwise dispose of the Secured Property or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over any Secured Property (to the extent it relates to the Issuer) except in accordance with the Conditions of each Series of ETP Securities, the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement, the Security Deed and the Agency Agreement, Trust Deed, and any other Transaction Document relating to any Series of ETP Securities as may be applicable;
  - (f) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement, the Conditions of each Series of ETP Securities, the Trust Deed of any Series of ETP Securities, the Security Deed or any other Transaction Document relating to any Series of ETP Securities (other than as contemplated by the Conditions and the relevant Transaction Documents relating to any such Series of ETP Securities);
  - (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the Conditions of each Series of ETP Securities);
  - (h) have any employees;

- (i) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation and which are held on charitable trust by the subscribers currently being TMF Ireland (Management) Limited) or make any distribution to its shareholders;
- (j) open or have any interest in any account with a bank or financial institution unless such account (i) relates to a Series of ETP Securities, the Swap Agreement, the Swap Pledge Agreement, the Account Control Agreement or any Secured Property or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the Security Trustee so as to form part of the Secured Property or (ii) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
- (k) declare any dividends;
- (l) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (m) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (n) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (o) except as contemplated by any relevant Transaction Document and/or the Conditions relating to each Series of ETP Securities, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Secured Property, to any other entity or person;
- (p) subject as provided in (a) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 (*Security*) and 18 (*Further Issues of ETP Securities*) of each Series of ETP Securities) issuing further ETP Securities under the Programme (which may or may not form a single series with the ETP Securities of any Series of ETP Securities and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such ETP Securities, provided that:
  - (i) such further ETP Securities and obligations are secured on assets of the Issuer other than the Issuer's share capital;
  - (ii) such further ETP Securities and obligations are secured *pari passu* upon the Secured Property (as such Secured Property may be increased in connection with the issue of such further securities), all in accordance with Condition 18 (*Further Issues of ETP Securities*) of each Series of ETP Securities; and
  - (iii) the Swap Counterparty agrees to increase the economic exposure under the Swap Transaction relating to the Series of ETP Securities with which such ETP Securities are to form a single series by a pro rata amount in connection with such issue of further ETP Securities,

provided that the Issuer shall not take any action (even where the prior written consent of the Security Trustee is obtained) if such action is, in the opinion of the Issuer, inconsistent with the objects of the Issuer as specified in its Memorandum and Articles of Association.

## 8 Redemption, Purchase and Options

### (a) Final Redemption

Unless previously redeemed in whole or purchased and cancelled by the Issuer as provided below, each ETP Security shall become due and payable on the Scheduled Maturity Date at its Final Redemption Amount.

If the Swap Transaction is scheduled to terminate on the same date as the Scheduled Maturity Date (or the term of the Swap Transaction has been extended as described in Condition 11(c) (*Term of the Swap Transaction*)) so that the scheduled termination date of the Swap Transaction is the same date as the Scheduled

Maturity Date), the Issuer will be scheduled to receive from the Swap Counterparty under the Swap Agreement an amount equal to the Swap Value (as determined in accordance with Part 5(ff) (*Determination of Swap Value in respect of each Transaction*) of the schedule to the Swap Agreement) as at the Final Redemption Valuation Date (which should equal the Value per ETP Security multiplied by the number of ETP Securities outstanding as at the Final Redemption Valuation Date) (the “**Final Swap Payment Amount**”). The Value per ETP Security in respect of the Final Redemption Valuation Date may be lower than the Minimum Redemption Amount, in which case, for the avoidance of doubt, the Final Redemption Amount will be equal to the Minimum Redemption Amount.

(b) **Early Redemption**

(i) ***Early Redemption Date and Early Redemption Amount***

Following the occurrence of an Early Redemption Event, each ETP Security shall become due and payable on the related Early Redemption Date at its Early Redemption Amount.

The Issuer will be scheduled to receive from the Swap Counterparty under the Swap Agreement an amount equal to the Swap Value (as determined in accordance with Part 5(ff) (*Determination of Swap Value in respect of each Transaction*) of the schedule to the Swap Agreement) as at the Early Redemption Valuation Date (which should equal the Value per ETP Security multiplied by the number of ETP Securities outstanding as at the Early Redemption Valuation Date). The Value per ETP Security in respect of the Early Redemption Valuation Date may be lower than the Minimum Redemption Amount, in which case, for the avoidance of doubt, the Early Redemption Amount will be equal to the Minimum Redemption Amount.

The Issuer shall give notice to the Securityholders of the Early Redemption Valuation Date, the Early Redemption Date and the Early Redemption Amount as soon as reasonably practicable in accordance with Condition 20 (*Notices*).

(ii) ***Conversion of amounts received under the Swap Agreement to determine Early Redemption Amount***

Where the Swap Agreement has been terminated in whole and the Swap Counterparty has paid to the Issuer a single Early Termination Amount (such amount being denominated in EUR and as defined in the Swap Agreement) relating to all Swap Transactions entered into thereunder in connection with all outstanding Series of ETP Securities, if the Specified Currency for this Series of ETP Securities is not EUR, then the Issuer shall convert (or procure the conversion of) such Series of ETP Securities’ *pro rata* share of such Early Termination Amount into the Specified Currency (in order to enable it to make payment of each Early Redemption Amount in the Specified Currency).

(iii) ***Multiple Early Redemption Events***

Notwithstanding anything to the contrary in the Conditions or any Transaction Document, if at any time following the occurrence of an Early Redemption Event (the “**Initial Early Redemption Event**”) an event or circumstance which would otherwise constitute or give rise to an Early Redemption Event occurs (the “**Secondary Early Redemption Event**”) in respect of which the Early Redemption Valuation Date relating thereto occurs (or would occur) prior to the date that would have been the Early Redemption Valuation Date in respect of the Initial Early Redemption Event, the Secondary Early Redemption Event shall prevail and all references to the “Early Redemption Event” in the Conditions and the Transaction Documents shall be construed accordingly.

(c) **Issuer Call Redemption Event**

The Issuer may, on giving an irrevocable notice to the Swap Counterparty and the Securityholders in accordance with Condition 20 (*Notices*), elect to redeem all the ETP Securities of this Series and designate an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date shall not be earlier than the 60th calendar day following the date of the relevant

notice (such notice an “**Issuer Call Redemption Notice**”). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the Transaction Parties on the same date as such notice is given to the Swap Counterparty and the Securityholders. If the Issuer effectively gives an Issuer Call Redemption Notice to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance.

(d) **Early Redemption Events**

An “**Early Redemption Event**” shall occur in accordance with the following Conditions 8(d)(i) (*Issuer Change in Law or Regulation Redemption Event*) to 8(d)(xii) (*Security Enforcement Redemption Event*) on the dates specified therein:

(i) ***Issuer Change in Law or Regulation Redemption Event***

On or after the Series Issue Date, if, due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority):

- (A) it has (or reasonably expects that it will) become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Eligible Collateral, and/or (y) perform its obligations under the ETP Securities and/or the Swap Agreement and/or the Account Control Agreement and/or the Swap Pledge Agreement; or
- (B) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the ETP Securities and/or the Swap Agreement and/or the Account Control Agreement and/or the Swap Pledge Agreement (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation but excluding any materially increased cost incurred or expected to be incurred in connection with Section 871(m)),

the Issuer may give the Trustee, the Authorised Participants, the Issuing and Paying Agent, the Swap Counterparty and the Securityholders notice in accordance with Condition 20 (*Notices*) that all the ETP Securities of this Series are to be redeemed and designate in such notice an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date shall not be earlier than the 7th calendar day following the date of the relevant notice (such notice a “**Change of Law Redemption Notice**”). If the Issuer effectively gives a Change of Law Redemption Notice to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of an “**Issuer Change in Law or Regulation Redemption Event**” will occur on the Early Redemption Valuation Date designated in the Change of Law Redemption Notice (or if such day is not a Relevant Business Day, on the first following Relevant Business Day).

(ii) ***Index Cancellation Redemption Event***

If the Index Sponsor permanently cancels the Index and the Swap Calculation Agent determines in accordance with Part 5(kk)(ii) (*Successor Index and Index Sponsor*) of the schedule to the Swap Agreement that no Successor Index exists as of a Scheduled Valuation Day, the Swap Calculation Agent shall, on the immediately following London and Paris Business Day and in accordance with Part 5(kk) (*Successor Index and Index Sponsor*), notify the Issuer of such determination (such notice



shall be copied to each Transaction Party (other than the Authorised Participant(s)) (such notice an “**Index Cancellation No Successor Notice**”). If the Swap Calculation Agent effectively gives an Index Cancellation No Successor Notice to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance. The Issuer shall, as soon as reasonably practicable after receipt of an Index Cancellation No Successor Notice from the Swap Calculation Agent, notify the Authorised Participant(s) and the Securityholders in accordance with Condition 20 (*Notices*) of the same.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of an “**Index Cancellation Redemption Event**” will occur on the fourth Relevant Business Day following the date of the Index Cancellation No Successor Notice.

(iii) ***Scheduled Swap Redemption Event***

If the Swap Transaction is scheduled to terminate in accordance with the terms of the Swap Agreement on a day falling prior to the Scheduled Maturity Date and the Swap Counterparty has elected not to extend the term of the Swap Agreement as described in Condition 11(c) (*Term of the Swap Transaction*) and pursuant to Part 5(II) (*Extension to the term of a Transaction*) of the schedule to the Swap Agreement, the Swap Counterparty shall give the Issuer not less than 180 calendar days’ prior notice (copied to the Trustee, each Authorised Participant and the Issuing and Paying Agent) of such election. If the Swap Counterparty effectively gives a valid notice of such election to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance. The Issuer shall, as soon as reasonably practicable after receipt of such notice from the Swap Counterparty, notify the Securityholders of the Swap Counterparty’s election in accordance with Condition 20 (*Notices*).

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of a “**Scheduled Swap Redemption Event**” will occur on the scheduled termination date of the Swap Transaction.

(iv) ***Swap Agreement Redemption Event***

If a date occurs or is designated by the Issuer or the Swap Counterparty, as applicable (or deemed to have occurred or been designated automatically in accordance with the terms of the Swap Agreement), on which the Swap Agreement or the Swap Transaction thereunder is to terminate in whole prior to the Scheduled Maturity Date (the date of termination being the “**Swap Early Termination Date**”) for any reason other than the occurrence of an Early Redemption Event:

- (A) the Issuer shall as soon as reasonably practicable give notice to the Swap Counterparty (copied to each Transaction Party) and to the Securityholders in accordance with Condition 20 (*Notices*) (I) if it designates a Swap Early Termination Date under the Swap Agreement or (II) if a Swap Early Termination Date is automatically designated under the Swap Agreement; or
- (B) the Swap Counterparty shall as soon as reasonably practicable give notice to the Issuer (copied to each Transaction Party (other than the Authorised Participant(s))) if it designates a Swap Early Termination Date under the Swap Agreement and the Issuer shall, as soon as reasonably practicable after receipt of such notice, give notice thereof to the Securityholders in accordance with Condition 20 (*Notices*) and to the Authorised Participant(s).

If the Issuer or the Swap Counterparty, as applicable, effectively gives a valid notice designating a Swap Early Termination Date made under the Swap Agreement to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance. For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of a “**Swap Agreement Redemption Event**” will occur on the Swap

Early Termination Date (or if such day is not a Relevant Business Day, on the first following Relevant Business Day).

(v) ***Agent Redemption Event***

If:

- (A) any of the Issuing and Paying Agent, the Swap Collateral Custodian and/or all of the Authorised Participants in relation to the ETP Securities resign or their appointment in relation to this Series of ETP Securities is terminated for any reason; and
- (B) no successor or replacement has been appointed within 60 (or in the case of the Swap Collateral Custodian, 90) calendar days of the date of notice of resignation or termination or the date the appointment was automatically terminated in accordance with the Agency Agreement, the Account Control Agreement or the Authorised Participant Agreement, as applicable,

the Issuer shall give notice (an “**Agent Redemption Event Notice**”) of the same to the other Transaction Parties and the Securityholders in accordance with Condition 20 (*Notices*). If the Issuer effectively gives an Agent Redemption Event Notice to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of an “**Agent Redemption Event**” will occur on the fourth Relevant Business Day after the date of the Agent Redemption Event Notice.

(vi) ***Publication Failure Redemption Event***

If the Value per ETP Security has not been published by (or on behalf of) the Issuer in respect of 14 consecutive Scheduled Valuation Days (a “**Publication Failure Event**”) and the Trustee is notified in writing of such Publication Failure Event and directed in writing by holders of at least one-fifth in number of the ETP Securities then outstanding to give a notice under this Condition 8(d)(vi) (*Publication Failure Redemption Event*) to the Issuer, the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a “**Publication Event Redemption Notice**”) to the Issuer, who shall in turn give notice of the same to each of the Transaction Parties. Any such notice and direction given to the Trustee pursuant to this Condition 8(d)(vi) (*Publication Failure Redemption Event*) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent and/or any Paying Agent.

The Trustee shall not be responsible for or be liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Publication Failure Event has occurred or exists and, unless and until the Trustee receives notice from the requisite number of Securityholders and is directed as aforementioned, the Trustee shall be entitled to assume that no such event has occurred.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of a “**Publication Failure Redemption Event**” will occur on the fourth Relevant Business Day following the date of the Publication Event Redemption Notice.

(vii) ***Value per ETP Security Threshold Redemption Event***

If the Value per ETP Security on five consecutive Non-Disrupted Scheduled Valuation Days is less than or equal to 200 per cent. of the Minimum Redemption Amount, the Issuer shall notify (a “**Value per ETP Security Threshold Level Notice**”) the Trustee (copied to each of the Transaction Parties), the Authorised Participant(s) and the Securityholders in accordance with Condition 20 (*Notices*) of

such occurrence. If the Issuer effectively gives a Value per ETP Security Threshold Level Notice to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of a “**Value per ETP Security Threshold Redemption Event**” will occur on the Relevant Business Day immediately following the date of the Value per ETP Security Threshold Level Notice.

(viii) ***Issuer Call Redemption Event***

Following a valid exercise of the call option by the Issuer in accordance with Condition 8(c) (*Issuer Call Redemption Event*), for the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of an “**Issuer Call Redemption Event**” will occur on the Early Redemption Valuation Date designated in the Issuer Call Redemption Notice (or if such day is not a Relevant Business Day on the first following Relevant Business Day).

(ix) ***AP Redemption Event***

If a Securityholder requests a firm bid price from one or more Authorised Participants for its ETP Securities on each of five consecutive Relevant Business Days and no Authorised Participant provides the Securityholder with a firm bid price for such ETP Securities (a “**Bid Price Request Event**”), the Securityholder may deliver a notice in writing to the Issuer and each Authorised Participant notifying them of the occurrence of such Bid Price Request Event (a “**Bid Price Request Notice**”).

If the Securityholder delivers a Bid Price Request Notice to such persons and none of the Authorised Participants provides a firm bid price to the relevant Securityholder on any of the 20 consecutive Relevant Business Days from (and including) the date of the relevant Bid Price Request Notice (such 20th Relevant Business Day, the “**Bid Price Request Period End Date**”), an “**AP Bid Price Event**” shall be deemed to have occurred on such Bid Price Request Period End Date and such Securityholder may give notice thereof to the Issuer.

Upon receipt of any such notice by the Issuer, and provided that any such notice is accompanied by evidence to the satisfaction of the Issuer that an AP Bid Price Event has so occurred, the Issuer shall, once satisfied of the occurrence of such AP Bid Price Event (for which purposes the Issuer may consult with the Authorised Participants), give notice to the Transaction Parties and the Securityholders in accordance with Condition 20 (*Notices*) that the ETP Securities are to be redeemed in full prior to their Scheduled Maturity Date (an “**AP Redemption Event Notice**”). If the Issuer effectively gives an AP Redemption Event Notice to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of an “**AP Redemption Event**” will occur on the fourth Relevant Business Day following the date of such AP Redemption Event Notice.

(x) ***Swap Counterparty Default Redemption Event***

If a Swap Counterparty Event of Default occurs and is continuing, and the Trustee is notified in writing of such Swap Counterparty Event of Default and directed in writing by holders of at least one-fifth in number of the ETP Securities then outstanding to give a notice under this Condition 8(d)(x) (*Swap Counterparty Default Redemption Event*), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a “**Swap Counterparty Default Redemption Notice**”) to the Issuer, who shall in turn give notice of the same to each of the Transaction Parties. Any direction given to the Trustee pursuant to this Condition 8(d)(x) (*Swap Counterparty Default Redemption Event*) by Securityholders must be substantially in the form set out

in the Agency Agreement which is available from the Issuing and Paying Agent and/or any Paying Agent.

The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Swap Counterparty Event of Default has occurred or exists and, unless and until the Trustee receives notice from the requisite number of Securityholders and is directed as aforementioned, the Trustee shall be entitled to assume that no such event has occurred.

For the purposes of Condition 8(b) (*Early Redemption*) an Early Redemption Event in the form of a “**Swap Counterparty Default Redemption Event**” will occur on the fourth Relevant Business Day following the date of the Swap Counterparty Default Redemption Notice.

(xi) ***Swap Tax Event Redemption Event***

If the Issuer becomes entitled to designate a Swap Early Termination Date following a Swap Agreement Tax Event, and the Trustee is notified in writing of such entitlement and directed in writing by holders of at least one-fifth in number of the ETP Securities then outstanding to give a notice under this Condition 8(d)(xi) (*Swap Tax Event Redemption Event*), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a “**Swap Tax Event Redemption Notice**”) to the Issuer, who shall in turn give notice of the same to each of the Transaction Parties. Any direction given to the Trustee pursuant to this Condition 8(d)(xi) (*Swap Tax Event Redemption Event*) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent and/or any Paying Agent.

The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Swap Agreement Tax Event has occurred or exists and, unless and until the Trustee receives notice from Securityholders and is directed as aforementioned, the Trustee shall be entitled to assume that no such event has occurred.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of a “**Swap Tax Event Redemption Event**” will occur on the fourth Relevant Business Day after the date of the Swap Tax Event Redemption Notice.

(xii) ***Security Enforcement Redemption Event***

If the Security over the Secured Property becomes enforceable pursuant to the Security Deed, the Issuer shall notify (a “**Security Enforcement Redemption Notice**”) the Trustee (copied to each of the Transaction Parties), the Authorised Participant(s) and the Securityholders in accordance with Condition 20 (*Notices*) of such occurrence. If the Issuer effectively gives a Security Enforcement Redemption Notice to the Trustee, the Trustee shall be entitled to rely on such notice without further investigation or enquiry and without liability to any person in respect of such reliance.

For the purposes of Condition 8(b) (*Early Redemption*), an Early Redemption Event in the form of a “**Security Enforcement Redemption Event**” will occur on the Relevant Business Day immediately following the date of the Security Enforcement Redemption Notice.

(e) **Purchase of ETP Securities**

(i) ***Procedure for Requesting a Purchase***

The Issuer may (without the consent of the Trustee or any Securityholder), from time to time, purchase all or some of the ETP Securities from Authorised Participants at each ETP Security’s Purchase Settlement Amount.

*In accordance with clause 4.1 (Request for Issuer to Purchase ETP Securities) of the Authorised Participant Agreement, only an Authorised Participant may request that the Issuer purchase ETP*

*Securities by delivering a Purchase Order to the Issuer (copied to the Swap Counterparty). A Valid Purchase Order Confirmation will only be delivered by (or on behalf of) the Issuer to the relevant Authorised Participant and the Swap Counterparty if it has determined (or has had determined on its behalf) that all conditions to a valid Purchase Order, as set out in clause 4.2 (Validity of Purchase Orders) of the Authorised Participant Agreement, have been satisfied. The Issuer shall have no obligation to purchase ETP Securities and no obligation to accept any Purchase Orders or deliver (or have delivered on its behalf) any Valid Purchase Order Confirmations from (but excluding) the 15th Relevant Business Day preceding the Scheduled Maturity Date.*

(ii) **Suspension of Purchases**

(A) *Suspension Threshold Trigger*

Subject to Conditions 8(e)(ii)(B) (*Early Redemption Events*) and (C) (*Issuing and Paying Agent Bankruptcy Event*) below, if on any Scheduled Valuation Day (a “**Suspension Threshold Trigger Date**”) the Value per ETP Security falls to less than 1000 per cent. of the Minimum Redemption Amount, the Issuer:

- (I) shall give notice convening a meeting of the Securityholders on a date not more than 30 calendar days after the Suspension Threshold Trigger Date for the purpose of considering an Extraordinary Resolution which would have the effect of reducing the Minimum Redemption Amount to an amount which is not less than 2 per cent. of the Value per ETP Security as at the Suspension Threshold Trigger Date; and
- (II) may, at any time after the Suspension Threshold Trigger Date and in accordance with clause 4.7 (*Purchase Suspension Event*) of the Authorised Participant Agreement, for so long as the Value per ETP Security continues to be less than 1000 per cent. of the Minimum Redemption Amount, suspend the Authorised Participants’ right to deliver a Purchase Order in accordance with clause 4.1 (*Request for Issuer to Purchase ETP Securities*) of the Authorised Participant Agreement other than on the basis of an Agreed Pricing Purchase Settlement Amount by giving notice to that effect to the Issuing and Paying Agent, each Authorised Participant and the Swap Counterparty (a “**Purchase Suspension Event**”). If the Issuer elects to so suspend such right, then no Authorised Participant may submit a Purchase Order to the Issuer on the basis of an Index Pricing Purchase Settlement Amount with effect from the date of suspension specified in the relevant notice of suspension until (X) the Value per ETP Security ceases to be less than 1000 per cent. of the Minimum Redemption Amount or (Y) the Issuer notifies the Issuing and Paying Agent, each Authorised Participant and the Swap Counterparty in accordance with clause 4.7 (*Purchase Suspension Event*) of the Authorised Participant Agreement of the cessation of such suspension.

(B) *Early Redemption Events*

*In accordance with clause 4.2 (Validity of Purchase Orders) of the Authorised Participant Agreement, if:*

- (I) *an Issuer Call Redemption Notice is delivered, the last day on which the Issuer is required to accept a Purchase Order and deliver (or have delivered on its behalf) a Valid Purchase Order Confirmation shall be the 4th Relevant Business Day preceding the related Early Redemption Valuation Date designated in such notice;*
- (II) *a Change of Law Redemption Notice is delivered by the Issuer, the last day on which the Issuer is required to accept a Purchase Order and deliver (or have delivered on its behalf) a Valid Purchase Order Confirmation shall be the 4th Relevant Business Day preceding the related Early Redemption Valuation Date designated in such notice;*

- (III) *the Swap Counterparty elects for the Swap Transaction to terminate on the last day of its scheduled term and such date falls before the Scheduled Maturity Date, the last day on which the Issuer is required to accept a Purchase Order and deliver (or have delivered on its behalf) a Valid Purchase Order Confirmation shall be the 7th Relevant Business Day preceding the scheduled termination date of the Swap Transaction;*
- (IV) *a Swap Early Termination Date is designated or occurs under the Swap Agreement for any reason other than the occurrence of an Early Redemption Event, a Party A Optional Termination Event or a Party B Optional Termination Event, the last day on which the Issuer is required to accept a Purchase Order and deliver (or have delivered on its behalf) a Valid Purchase Order Confirmation shall be the earlier of (X) the date of the notice (if any) designating the Swap Early Termination Date or (Y) the Swap Early Termination Date, as applicable;*
- (V) *a Swap Early Termination Date is designated or occurs under the Swap Agreement in connection with the occurrence of a Party A Optional Termination Event or Party B Optional Termination Event, the last day on which the Issuer is required to accept a Purchase Order and deliver (or have delivered on its behalf) a Valid Purchase Order Confirmation shall be the 4th Relevant Business Day preceding such Swap Early Termination Date; and*
- (VI) *an Index Cancellation No Successor Notice, an Agent Redemption Event Notice, a Publication Event Redemption Notice, a Value per ETP Security Threshold Level Notice, an AP Redemption Event Notice, a Swap Counterparty Default Redemption Notice, a Swap Tax Event Redemption Notice or a Security Enforcement Redemption Notice is delivered, the last day on which the Issuer is required to accept a Purchase Order and deliver (or have delivered on its behalf) a Valid Purchase Order Confirmation shall be the date of such notice.*

(C) *Issuing and Paying Agent Bankruptcy Event*

*In accordance with clause 4.8 (Issuing and Paying Agent Bankruptcy Event) of the Authorised Participant Agreement, if an Issuing and Paying Agent Bankruptcy Event occurs, the Issuer will not be obliged to accept any further Purchase Orders or deliver (or have delivered on its behalf) any Valid Purchase Order Confirmations until (I) such time as a replacement Issuing and Paying Agent is appointed in accordance with the Agency Agreement or (II) the Issuer is procuring determination of the requisite determinations and calculations of the Issuing and Paying Agent pursuant to Condition 12(d)(ii) (Calculations and Determinations).*

(D) *No Closing Index Level published*

*In accordance with clause 4.2 (Validity of Purchase Orders) of the Authorised Participant Agreement, the Issuer will not be obliged to deliver (or have delivered on its behalf) a Valid Purchase Order Confirmation in respect of a Purchase Order delivered on any Relevant Business Day if no Closing Index Level has been published by the Issuer on the Website on such Relevant Business Day in respect of the preceding Scheduled Valuation Day.*

(iii) **Cancellation of purchases prior to Purchase Settlement Date**

(A) *Prolonged Settlement Delay*

*Provided that the purchase confirmed by a Valid Purchase Order Confirmation has not been cancelled pursuant to Condition 8(e)(iii)(B) (Swap Counterparty Bankruptcy Event) or Condition 8(e)(iii)(C) (Early Redemption Event or Final Redemption Valuation Date), where the related Purchase Settlement Date has not occurred by close of business on the third London*

and Paris Business Day following the Scheduled Purchase Settlement Date (the “**Purchase Settlement Backstop Date**”), such Valid Purchase Order Confirmation (including the purchase confirmed by such Valid Purchase Order Confirmation) and the related Purchase Order shall each be automatically cancelled and deemed void with effect from such Purchase Settlement Backstop Date.

Following notification of a settlement failure in accordance with clause 4.6 (Notification of Purchase Settlement Failure) of the relevant Authorised Participant Agreement, the relevant Authorised Participant and the Swap Counterparty may agree to adjust the Purchase Settlement Backstop Date (any date so agreed, the “**Adjusted Purchase Settlement Backstop Date**”). If an Adjusted Purchase Settlement Backstop Date is agreed, the Swap Counterparty shall notify the Issuer and the Issuing and Paying Agent of such date and the Valid Purchase Order Confirmation (including the purchase confirmed by such Valid Purchase Order Confirmation) and the related Purchase Order shall not be automatically cancelled and deemed void with effect from the Purchase Settlement Backstop Date, but rather from such Adjusted Purchase Settlement Backstop Date. Any adjustment to the Purchase Settlement Backstop Date shall not affect the operation of Condition 8(e)(iii)(B) (Swap Counterparty Bankruptcy Event) or 8(e)(iii)(C) (Early Redemption Event or Final Redemption Valuation Date) with respect to a cancellation prior to the Adjusted Purchase Settlement Backstop Date of the Valid Purchase Order Confirmation (including the purchase confirmed by such Valid Purchase Order Confirmation) and related Purchase Order.

(B) **Swap Counterparty Bankruptcy Event**

Provided that the purchase confirmed by a Valid Purchase Order Confirmation has not been cancelled pursuant to Condition 8(e)(iii)(A) (Prolonged Settlement Delay) or Condition 8(e)(iii)(C) (Early Redemption Event or Final Redemption Valuation Date), where the related Purchase Settlement Date has not occurred and a Swap Counterparty Bankruptcy Event occurs, such Valid Purchase Order Confirmation (including the purchase confirmed by such Valid Purchase Order Confirmation) and the related Purchase Order shall each be automatically cancelled and deemed void with effect from the date of the occurrence of such Swap Counterparty Bankruptcy Event.

(C) **Early Redemption Event, Event of Default or Final Redemption Valuation Date**

Provided that the purchase confirmed by a Valid Purchase Order Confirmation has not been cancelled pursuant to Condition 8(e)(iii)(A) (Prolonged Settlement Delay) or Condition 8(e)(iii)(B) (Swap Counterparty Bankruptcy Event), where the related Purchase Settlement Date has not occurred and an Early Redemption Event, Event of Default or the Final Redemption Valuation Date occurs, such Valid Purchase Order Confirmation (including the purchase confirmed by such Valid Purchase Order Confirmation) and the related Purchase Order shall each be automatically cancelled and deemed void with effect from the relevant Early Redemption Valuation Date or the Final Redemption Valuation Date, as applicable.

(D) **Return of amounts to Swap Counterparty**

Following the cancellation of a Valid Purchase Order Confirmation (including the purchase confirmed by such Valid Purchase Order Confirmation) and the related Purchase Order in accordance with this Condition 8(e)(iii), the Issuer shall return in full any amounts received from the Swap Counterparty in connection with such Valid Purchase Order Confirmation in accordance with Part 5(jj) (Return of Partial Early Termination Amount following a Purchase Cancellation Date) of the schedule to the Swap Agreement.

(iv) **Purchase and Cancellation**

ETP Securities purchased by the Issuer from an Authorised Participant will be purchased on such terms (including, but not limited to, the Purchase Settlement Amount) as may be agreed between the Issuer and the Authorised Participant on a delivery versus payment basis. Settlement of any purchase by the Issuer of ETP Securities confirmed by a Valid Purchase Order Confirmation may only occur in full and shall not, in any circumstances, be partially settled.

All ETP Securities purchased by (or on behalf of) the Issuer shall be surrendered for cancellation by surrendering each such ETP Security to or to the order of the Issuing and Paying Agent and shall, together with all ETP Securities redeemed by the Issuer, be cancelled forthwith. Any ETP Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such ETP Securities shall be discharged. In accordance with the Security Deed, the Security Trustee will and will be deemed to release without the need for any notice or other formalities from such Security the relevant portion of the Secured Property relating to the ETP Securities so purchased and cancelled.

Where the ETP Securities are represented by a Global Security, cancellation of any ETP Security represented by such Global Security that is required by these Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the number of ETP Securities represented by such Global Security representing such ETP Security on its presentation to or to the order of the Issuing and Paying Agent for endorsement, whereupon the number of ETP Securities represented by such Global Security will be reduced for all purposes by the number of ETP Securities so cancelled and endorsed.

## 9 Disruption Events, Adjustments and Postponement

### (a) Disruption Events

*Pursuant to Part 5(gg) (Disruption Event and Determination of Closing Index Level) of the schedule to the Swap Agreement, the Swap Counterparty may (but is not obliged to), with respect to any Scheduled Valuation Day, determine that one or more of the following events has occurred or is continuing in respect of the Swap Transaction (each such event a “Disruption Event”):*

#### (i) **Index Disruption**

*The Index Sponsor fails to calculate and announce the Closing Index Level of the Index.*

#### (ii) **Index Cancellation**

*The Index Sponsor permanently cancels the Index.*

#### (iii) **Trading Disruption**

*Any material (as determined by the Swap Counterparty) suspension of or limitation imposed by relevant exchanges or quotation systems or otherwise on trading (A) relating to securities that comprise 20 per cent. or more of the level of the Index or (B) in futures or options contracts relating to the Index, in each case whether by reason of movements in price exceeding limits permitted by such relevant exchanges or quotation systems or otherwise.*

#### (iv) **Exchange Disruption**

*Any event (other than an “Early Closure” pursuant to Condition 9(a)(v) (Early Closure) below) that materially disrupts or impairs (as determined by the Swap Counterparty) the ability of market participants in general (A) to effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of the Index on relevant exchanges or quotation systems or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant exchange or quotation system.*



(v) **Early Closure**

*On a day that is an Exchange Business Day for relevant exchanges or quotation systems relating to securities that comprise 20 per cent. or more of the level of the Index, the closure of such relevant exchanges or quotation systems prior to its scheduled closing time unless such earlier closing time is announced by such exchanges or quotation systems at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such exchanges or quotation systems on such Exchange Business Day and (B) the submission deadline for orders to be entered into such exchanges or quotation systems for execution on such Exchange Business Day.*

(vi) **Failure to Open**

*Any relevant exchange or quotation system fails to open for trading on an Exchange Scheduled Trading Day.*

(b) **Disruption Event and Determination of Closing Index Level**

*In respect of each Disrupted Day:*

(i) *the Issuer shall, as soon as reasonably practicable after receipt of the related Disruption Event Notice, give notice of the occurrence of such Disruption Event to the Authorised Participant(s);*

(ii) *other than where Condition 9(b)(iii) or (iv) (Disruption Event and Determination of Closing Index Level) applies, the determination and publication of the Value per ETP Security in respect of such Disrupted Day will be postponed in accordance with Condition 9(c) (Postponement of Determination and Publication of Value per ETP Security);*

(iii) *the Swap Calculation Agent may (but is not obliged to) determine and notify the Closing Index Level to the Issuer and the Swap Counterparty on or prior to 07:45 on the London and Paris Business Day immediately following such Disrupted Day in accordance with Part 5(gg)(iii) (Disruption Event and Determination of Closing Index Level) of the schedule to the Swap Agreement. If:*

(A) *the Swap Calculation Agent determines and notifies the Closing Index Level to the Issuer and the Swap Counterparty in respect of such Disrupted Day; or*

(B) *a Swap Counterparty Event of Default has occurred (in which case no Closing Index Level shall be determined or notified in respect of such Disrupted Day and the Value per ETP Security shall be determined in accordance with paragraph (c) of the Schedule (Value per ETP Security) hereto),*

*in each case on or prior to 07:45 on the London and Paris Business Day immediately following such Disrupted Day, no postponement of the Issuer's obligations in respect of such Disrupted Day under Condition 5 (Determination and Publication of Value per ETP Security) in accordance with Condition 9(c) (Postponement of Determination and Publication of Value per ETP Security) shall occur;*

(iv) *if such Disrupted Day is also the Early Redemption Valuation Date, the Swap Calculation Agent must determine and notify the Closing Index Level for such Disrupted Day to the Issuer and the Swap Counterparty on or prior to 07:45 on the London and Paris Business Day immediately following such Disrupted Day in accordance with Part 5(gg)(iv) (Disruption Event and Determination of Closing Index Level) of the schedule to the Swap Agreement and no postponement of the Issuer's obligations in respect of such Disrupted Day under Condition 5 (Determination and Publication of Value per ETP Security) in accordance with Condition 9(c) (Postponement of Determination and Publication of Value per ETP Security) shall occur;*

(v) *if neither Condition 9(b)(iii) nor 9(b)(iv) (Disruption Event and Determination of Closing Index Level) applies, the following provisions shall apply:*

- (A) *if a Swap Counterparty Event of Default has occurred prior to the Closing Index Level in respect of such Disrupted Day being determined and notified to the Issuer and the Swap Counterparty in accordance with Conditions 9(b)(v)(B) or (C) (Disruption Event and Determination of Closing Index Level), no Closing Index Level will be determined in respect of such Disrupted Day (for the purposes of this Condition 9(b)(v)(A) (Disruption Event and Determination of Closing Index Level), the “**Original Disrupted Day**”), the Value per ETP Security will be determined in accordance with paragraph (c) of the Schedule (Value per ETP Security) hereto and the Issuer’s obligations in respect of such Original Disrupted Day under Condition 5 (Determination and Publication of Value per ETP Security) will be postponed in accordance with Condition 9(c) (Postponement of Determination and Publication of Value per ETP Security);*
- (B) *if a Non-Disrupted Scheduled Valuation Day occurs on or prior to the eighth Scheduled Valuation Day immediately following such Disrupted Day (the “**Disruption Backstop Date**”) and the Swap Calculation Agent has not determined and notified the Closing Index Level for such Disrupted Day (for the purposes of this Condition 9(b)(v)(B) (Disruption Event and Determination of Closing Index Level), the “**Original Disrupted Day**”) to the Issuer and the Swap Counterparty by 07:30 London time on the London and Paris Business Day immediately following such Non-Disrupted Scheduled Valuation Day, the Closing Index Level for such Original Disrupted Day shall be deemed to be the official closing level of the Index published by the Index Sponsor in respect of such Original Disrupted Day (or if no official closing level was so published in respect of such Original Disrupted Day, the last official closing level of the Index published by the Index Sponsor in respect of a Scheduled Valuation Day preceding such Original Disrupted Day), which amount the Swap Calculation Agent shall notify to the Issuer and the Swap Counterparty by no later than 07:45 London time on such London and Paris Business Day immediately following such Non-Disrupted Scheduled Valuation Day in accordance with the provisions of Part 5(gg)(v)(2) (Disruption Event and Determination of Closing Index Level) of the schedule to the Swap Agreement and the Issuer’s obligations in respect of such Original Disrupted Day under Condition 5 (Determination and Publication of Value per ETP Security) will be postponed in accordance with Condition 9(c) (Postponement of Determination and Publication of Value per ETP Security); and*
- (C) *if each of the eight Scheduled Valuation Days immediately following such Disrupted Day (for the purposes of this Condition 9(b)(v)(C) (Disruption Event and Determination of Closing Index Level), the “**Original Disrupted Day**”) are also Disrupted Days and no Closing Index Level in respect of such Original Disrupted Day has been determined and notified by the Swap Calculation Agent to the Issuer and the Swap Counterparty by 07:45 London time on the Disruption Backstop Date, the Swap Calculation Agent must determine and notify the Closing Index Level for such Original Disrupted Day to the Issuer and the Swap Counterparty by 07:45 London time on the London and Paris Business Day immediately following such Disruption Backstop Date in accordance with the provisions of Part 5(gg)(v)(3) (Disruption Event and Determination of Closing Index Level) of the schedule to the Swap Agreement and the Issuer’s obligations in respect of such Original Disrupted Day under Condition 5 (Determination and Publication of Value per ETP Security) will be postponed in accordance with Condition 9(c) (Postponement of Determination and Publication of Value per ETP Security);*
- (vi) *Conditions 9(b)(iii), (iv) and (v) (Disruption Event and Determination of Closing Index Level) shall not apply to such Disrupted Day if:*
- (A) *the immediately preceding Scheduled Valuation Day is also a Disrupted Day (the “**Preceding Disrupted Day**”); and*

- (B) *no Closing Index Level has been determined and notified in respect of the Preceding Disrupted Day to the Issuer and the Swap Counterparty on or prior to 07:45 London time on the London and Paris Business Day immediately following such Disrupted Day; and*
- (C) *no Swap Counterparty Event of Default has occurred on or prior to 07:45 London time on the London and Paris Business Day immediately following such Disrupted Day.*

*For the avoidance of doubt, such Disrupted Day will be a Postponed Determination Day and the Closing Index Level for such Postponed Determination Day shall be determined and notified in accordance with Condition 9(b)(vii) (Disruption Event and Determination of Closing Index Level);*

(vii) *if:*

(A)

- (I) *the notification of the Closing Index Level in respect of an Original Disrupted Day was made by the Swap Calculation Agent to the Issuer and the Swap Counterparty in accordance with Conditions 9(b)(v)(B) or (C) (Disruption Event and Determination of Closing Index Level); or*
- (II) *in the case of Condition 9(b)(v)(A) (Disruption Event and Determination of Closing Index Level), a Swap Counterparty Event of Default has occurred,*

*in each case, on or prior to 07:45 on the relevant day of notification or occurrence and such day is a London and Paris Business Day, on such London Paris Business Day (or, if such day is not a London and Paris Business Day, on the immediately following London and Paris Business Day); or*

(B)

- (I) *the notification of the Closing Index Level in respect of an Original Disrupted Day was made by the Swap Calculation Agent to the Issuer and the Swap Counterparty in accordance with Conditions 9(b)(v)(B) or (C) (Disruption Event and Determination of Closing Index Level); or*
- (II) *in the case of Condition 9(b)(v)(A) (Disruption Event and Determination of Closing Index Level), a Swap Counterparty Event of Default has occurred,*

*in each case, after 07:45 on the relevant day of notification or occurrence, on the immediately following London and Paris Business Day,*

*(in each case, the “**Disrupted Closing Index Level Determination Day**”):*

(X) *the Swap Calculation Agent shall:*

- (I) *determine the Closing Index Level for each Disrupted Day from, but excluding, the Original Disrupted Day to, but excluding, the Disrupted Closing Index Level Determination Day (each, a “**Postponed Determination Day**”) using the same methodology and in the same manner as that used in respect of the Original Disrupted Day; and*
- (II) *notify, where Conditions 9(b)(v)(B) or (C) (Disruption Event and Determination of Closing Index Level) applies in respect of such Original Disrupted Day only, such Closing Index Level(s) to the Issuer and the Swap Counterparty at the same time on such Disrupted Closing Index Level Determination Date as notification of the Closing Index Level for such Original Disrupted Day; and*

- (Y) *the Issuer shall publish (or procure to be published) such Closing Index Level(s) on the Website in accordance with Condition 5 (Determination and Publication of Value per ETP Security) and 9(c) (Postponement of Determination and Publication of Value per ETP Security); and*
- (viii) *for the avoidance of doubt but subject to Conditions 9(b)(iii)(B) and 9(b)(v)(A) (Disruption Event and Determination of Closing Index Level), the Closing Index Level(s) determined in accordance with this Condition 9(b) (Disruption Event and Determination of Closing Index Level) shall apply for the purposes of determining, for such Disrupted Day and each Postponed Determination Day, the Value per ETP Security for such day.*
- (c) ***Postponement of Determination and Publication of Value per ETP Security***
- In respect of each Disrupted Day, if Condition 9(b)(v) (*Disruption Event and Determination of Closing Index Level*) applies, determination and publication of the Value per ETP Security in respect of such Original Disrupted Day and each Postponed Determination Day related to such Original Disrupted Day shall be postponed until 10:00 London time on the Disrupted Closing Index Level Determination Day.
- (d) ***Postponement of Settlement of Further Issuances and Purchases***
- Pursuant to the Authorised Participant Agreement, if, in respect of (i) a subscription confirmed by a Valid Creation Order Confirmation or (ii) a purchase confirmed by a Valid Purchase Order Confirmation, a Disruption Event Notice is validly delivered by the Swap Counterparty to the Issuer in respect of the relevant Creation Trade Date or Purchase Trade Date, as applicable, in each case in accordance with Part 5(gg) (Disruption Event and Determination of Closing Index Level) of the schedule to the Swap Agreement, and the Value per ETP Security for such Creation Trade Date or Purchase Trade Date, as applicable, is not published by (or on behalf of) the Issuer on its Website on the London and Paris Business Day immediately following such Creation Trade Date or Purchase Trade Date, as applicable, the Scheduled Creation Settlement Date or Scheduled Purchase Settlement Date, as applicable, shall be postponed until the second London and Paris Business Day after the first Non-Disrupted Scheduled Valuation Day immediately following such Creation Trade Date or Purchase Trade Date, as applicable.*
- (e) ***Adjustment Events***
- (i) *Under the terms of the Swap Agreement, the Swap Counterparty may (but is not obliged to), with respect to any Scheduled Valuation Day, determine that one or more of the following events has occurred or is continuing in respect of the Swap Transaction (each such event an “Adjustment Event”):*
- (A) *the Index Sponsor cancels the Index and a Successor Index is identified as described in Condition 10(a) (Successor Index); or*
- (B) *the Index Sponsor announces that it will make a material change in the formula for, or the method of, calculating such Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events).*
- (ii) *If, in respect of a Scheduled Valuation Day, the Issuer has received an Adjustment Event Notice in respect of the Swap Transaction from the Swap Counterparty and the Swap Calculation Agent has, in respect of such Adjustment Event Notice, delivered an Adjustment Terms Notice to the Issuer specifying that an adjustment to the terms of the Swap Transaction, the Conditions and/or any other Transaction Document is required:*
- (A) *the Issuer shall, as soon as reasonably practicable after receipt of the Adjustment Terms Notice, give notice of the relevant adjustment(s) and the effective date thereof to the Securityholders in accordance with Condition 20 (Notices) and to each Transaction Party; and*

- (B) with effect from the effective date of any such adjustment, the Swap Transaction, the Conditions and/or the terms of any other Transaction Document that has been adjusted (including any determination and/or calculation that is required to be made hereunder or thereunder) shall be construed accordingly.
- (iii) Neither the consent of the Trustee nor the consent of the Securityholders will be required for any such adjustment to the Swap Transaction, the Conditions or any other Transaction Document, provided that no such adjustment may be made which would, in the Trustee's opinion, impose more onerous obligations on the Trustee without its consent and provided further that such adjustment is not a matter within the proviso to paragraph 2 of schedule 3 to the Trust Deed requiring a special quorum resolution.

## **10 Successor Index and Index Sponsor**

### **(a) Successor Index**

In accordance with Part 5(kk) (*Successor Index and Index Sponsor*) of the schedule to the Swap Agreement, with respect to the Swap Transaction, if the Issuer is notified by the Swap Calculation Agent of a Successor Index in respect of any Scheduled Valuation Day, then such Successor Index shall be deemed to be the Index for the purposes of the ETP Securities from, and including, the Scheduled Valuation Day immediately following such Scheduled Valuation Day. As soon as reasonably practicable following receipt of any such notice, the Issuer shall notify the Authorised Participant(s) of the same (or procure that they are so notified) and publish (or procure to be published) such information on the Website.

### **(b) Successor Index Sponsor**

The Issuer shall, as soon as reasonably practicable after being notified of the same by the Swap Calculation Agent in accordance with Part 5(kk) (*Successor Index and Index Sponsor*) of the schedule to the Swap Agreement, publish (or procure to be published) on the Website any change to the Index Sponsor determined by the Swap Calculation Agent.

## **11 Swap Agreement, Swap Transaction, Account Control Agreement and Swap Pledge Agreement**

### **(a) Swap Agreement, Swap Transaction, Account Control Agreement and Swap Pledge Agreement**

In connection with the issue of ETP Securities under the Programme, the Issuer has entered into the Swap Agreement, the Account Control Agreement and the Swap Pledge Agreement with the Swap Counterparty and, in respect of the Account Control Agreement, with the Swap Collateral Custodian. In connection with the issue of any additional Tranche of ETP Securities issued after the Series Issue Date or the repurchase of any ETP Securities, the Issuer will, in accordance with the terms of the Swap Agreement, increase or decrease, as applicable, the economic exposure under the Swap Transaction by a *pro rata* amount.

### **(b) Transfer of Swap Agreement and Swap Transactions, Account Control Agreement and/or Swap Pledge Agreement**

Following the occurrence of a tax event or tax event upon merger in respect of the Swap Agreement, as further described in Sections 5(b)(iii) and 5(b)(iv), respectively, of the Swap Agreement (as amended by the schedule to the Swap Agreement), pursuant to which a Swap Early Termination Date may occur or be designated by the affected party (being the Issuer or the Swap Counterparty) in accordance with the terms of the Swap Agreement, the Swap Counterparty may, in accordance with Part 5(j) (*Termination on Tax Event*) of the schedule to the Swap Agreement, transfer the Swap Agreement (including all Swap Transactions thereunder), the Account Control Agreement and/or the Swap Pledge Agreement to another of its offices or affiliates, provided that (i) the Swap Counterparty and such other office or affiliate enter into arrangements satisfactory to the Trustee in accordance with the Swap Agreement, the Account Control Agreement and/or the Swap Pledge Agreement and any other arrangements required by the Issuer (including, without limitation, the

provision of such legal opinion as the Trustee may require), (ii) the Posted Collateral following such transfer continues to comprise of Eligible Collateral, (iii) following such transfer the Swap Agreement, the Account Control Agreement and/or the Swap Pledge Agreement, as applicable, are subject to the Security on the same terms mutatis mutandis as prior to such transfer and shall form part of the Secured Property, as applicable and (iv) not less than 60 calendar days' prior notice of any such transfer is given to Securityholders in accordance with Condition 20 (*Notices*). The Security to the extent that it relates to the Swap Agreement, the Account Control Agreement and/or the Swap Pledge Agreement, as applicable, shall be released in connection with any such transfer.

(c) **Term of the Swap Transaction**

Where the Initial Swap Term ends prior to the Scheduled Maturity Date, no later than 180 calendar days prior to the last day of the Initial Swap Term or Extended Swap Term (as defined below), as applicable, pursuant to Part 5(II) (*Extension to the term of a Transaction*) of the schedule to the Swap Agreement the Swap Counterparty will elect (i) to extend the term of the Swap Transaction for (A) a period equal to the length of the Initial Swap Term (unless the period remaining to the Scheduled Maturity Date is less than the length of the Initial Swap Term, in which case for a period equal to the period remaining to the Scheduled Maturity Date) or (B) such other period as may be agreed between the Issuer and the Swap Counterparty at such time (such period the "**Extended Swap Term**") or (ii) for the Swap Transaction to terminate at the end of the Initial Swap Term or Extended Swap Term, as applicable, and the Swap Counterparty will notify the Issuer and each Transaction Party (other than the Authorised Participant(s)) of each such election. The Issuer shall, as soon as reasonably practicable after receipt of the notice of election from the Swap Counterparty, give notice thereof to the Securityholders in accordance with Condition 20 (*Notices*) and to the Authorised Participant(s).

(d) **Substitution of Posted Collateral**

- (i) *Pursuant to clause 2.1.3C (Substitutions) of the Account Control Agreement, the Swap Counterparty may transfer to the Swap Collateral Account an amount of Eligible Collateral (the "**Substitute Credit Support**") in substitution for some or all of the Posted Collateral (the "**Original Credit Support**"), provided that the Substitute Credit Support must have a Margin Value (as defined and determined in accordance with the Account Control Agreement) equal to the Original Credit Support (a "**Posted Collateral Substitution**").*
- (ii) *Subject to compliance with this Condition 11(d) (Substitution of Posted Collateral) and the terms of the Account Control Agreement, there is no limit on the number of times that the Swap Counterparty can substitute Posted Collateral.*

## 12 Payments, Calculations, Agents, Business Days, Default Interest and Records

(a) **Payments Net of Taxes**

All payments in respect of the ETP Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Tax applies to payments in respect of the ETP Securities, the Securityholders will be subject to such Tax or deduction and shall not be entitled to receive amounts to compensate for any such Tax or deduction. No Event of Default shall occur as a result of any such withholding or deduction.

(b) **Payments**

- (i) Payments of Redemption Amounts in respect of Definitive Securities shall, subject to Condition 12(c) (*Payments Subject to Fiscal Laws*), be made against presentation and surrender of the relevant ETP Securities at the specified office of any Paying Agent outside the United States, by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to, an account denominated in such currency with a Bank nominated by such holder, as the case may be. In this Condition 12(b),

“**Bank**” means a bank located in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

- (ii) For as long as the ETP Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a common depository or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments in respect of the ETP Securities will be discharged by payment to, or to the order of, the holder of the Global Security, subject to and in accordance with the terms of such Global Security. Each of the persons shown in the records of the Relevant Clearing System as owning ETP Securities represented by such Global Security must look solely to the Relevant Clearing System for its share of any payment made by the Issuer to or to the order of the holder of the Global Security. Payments made to any person shown in the records of the Relevant Clearing System as owning any ETP Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.

(c) **Payments Subject to Fiscal Laws**

All payments in respect of the ETP Securities are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Securityholders in respect of such payments.

(d) **Calculations and Determinations**

- (i) Each party shall, as soon as practicable on such date and/or at such time as it is required in accordance with these Conditions, make such calculation or determination as is required of it in accordance herewith.
- (ii) If:
  - (A) the appointment of the Issuing and Paying Agent is terminated in connection with an Issuing and Paying Agent Bankruptcy Event or it has resigned or had its appointment terminated in accordance with the Agency Agreement; and
  - (B) the Issuing and Paying Agent fails to make the relevant calculations or determinations required of it in accordance with these Conditions in the period prior to the effective date of such resignation or termination,

the Issuer shall as soon as reasonably practicable after becoming aware of the foregoing procure the relevant calculations or determinations required of the Issuing and Paying Agent pursuant to these Conditions.

The Issuer shall continue to procure such calculations and determinations to be made until such time as a replacement Issuing and Paying Agent is appointed in accordance with the terms of the Agency Agreement, and the Conditions and any relevant Transaction Documents shall be construed accordingly. In doing so, the Issuer shall ensure that any calculations or determinations being so made continue to be made in accordance with the terms of these Conditions.

(e) **Determination or Calculation by the Security Trustee**

If at any time after the Security has become enforceable pursuant to Condition 6(h) (*Enforcement of Security Constituted Under the Security Deed*) any determination or calculation relating to the Value per ETP Security, the Final Redemption Amount or the Early Redemption Amount in respect of a Series of ETP Securities has not been made when required pursuant to the Conditions of such Series of ETP Securities and the Transaction Documents relating to such Series of ETP Securities, the Security Trustee may make any such determination or calculation (or may appoint an agent on its behalf to do so), provided that the Security Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction. Any such determination or calculation

made by the Security Trustee (or the agent appointed on its behalf) shall for the purposes of the Conditions of such Series of ETP Securities and the Transaction Documents relating to such Series of ETP Securities be deemed to have been made by the original party. In doing so, the Security Trustee shall apply the provisions of the Conditions of such Series of ETP Securities and/or the relevant Transaction Document(s) relating to such Series of ETP Securities, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. The Security Trustee shall not be liable to the Issuer, the Securityholders of any Series of ETP Securities or any Transaction Party of any Series of ETP Securities for any calculations and determinations (or any delay in making any calculation or determination) so made unless the Security Trustee has acted fraudulently, negligently or in wilful default.

(f) **Swap Collateral Custodian**

If the Swap Collateral Custodian resigns or its appointment under the Account Control Agreement is terminated by reason of termination of the related custody agreement between the Swap Collateral Custodian and the Swap Counterparty, the Issuer shall use all reasonable efforts to procure the Swap Counterparty to appoint an Eligible Swap Collateral Custodian to act as the Swap Collateral Custodian in its place within 90 calendar days of the date of the notice of such resignation or termination.

(g) **Appointment of Agents**

Save as otherwise provided in the Trust Deed following an Event of Default, Potential Event of Default or the Security becoming enforceable, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time with the prior written approval of the Trustee and in accordance with the provisions of the Agency Agreement to vary or terminate the appointment of the Issuing and Paying Agent or any other Paying Agent and to appoint additional or other Paying Agents. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the Transaction Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing and Paying Agent, (ii) a Paying Agent having its specified office in a major European city, (iii) such other agents as may be required by any other stock exchange on which the ETP Securities may be listed, in each case, as approved by the Trustee, and (iv) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct any tax pursuant to any law implementing Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Securityholders by the Issuer in accordance with Condition 20 (*Notices*).

(h) **Business Day Convention and Non-Payment Business Days**

- (i) If any date for payment in respect of any ETP Security is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day or to any interest or other sum in respect of such postponed payment.
- (ii) If a Scheduled Creation Settlement Date or a Scheduled Purchase Settlement Date is not a Payment Business Day, the Issuer or the relevant Authorised Participant, as applicable, shall not be entitled to (A) any Creation Settlement Amount or Purchase Settlement Amount until the next following Payment Business Day (and settlement in accordance with Clause 3.4 (*Creation Settlement*) or Clause 4.4 (*Purchase Settlement*) of the Authorised Participant Agreement, as applicable, shall be adjusted accordingly) or (B) any interest or other sum in respect of such postponed payment.

(i) **Default Interest**

If payment of the Final Redemption Amount or Early Redemption Amount, as applicable, is improperly withheld or refused, default interest shall accrue (before as well as after judgment) on such amount from and



including the due date for redemption to but excluding the date of payment at the rate for each day in that period equal to (i) if the ETP Securities are denominated in euro, the overnight rate as calculated by the European Central Bank appearing on Reuters Screen EONIA Page (or any successor page thereto) in respect of that day if that day is a TARGET Settlement Day, or in respect of the TARGET Settlement Day immediately preceding that day, if that day is not a TARGET Settlement Day, (ii) if the ETP Securities are denominated in GBP, the overnight rate which appears on Reuters Screen SONIA Page in respect of that day if that day is a London Business Day, or in respect of the London Business Day immediately preceding that day, if that day is not a London Business Day, (iii) if the ETP Securities are denominated in USD, the daily effective federal funds rate determined by the Federal Reserve as the weighted average of the rates on brokered trades, with such daily rates appearing on the Reuters Screen FEDFUNDS1 Page in respect of that day if that day is a New York Business Day, or in respect of the New York Business Day immediately preceding that day, if that day is not a New York Business Day or (iv) if the ETP Securities are denominated in any other currency, such rate as is specified in the Final Terms. If such rate does not appear on such screen, the rate shall be equal to the rate offered by a major bank in a relevant interbank market for overnight deposits in the same currency as the denomination of the ETP Securities.

(j) **Negotiability of Global Security**

The Global Security is a bearer document and negotiable and accordingly:

- (i) is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to these Conditions;
- (ii) the holder of the Global Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption, default interest or otherwise payable in respect of the Global Security and the Issuer waives as against such holder and any previous holder of the Global Security all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by the Global Security; and
- (iii) payment upon due presentation of the Global Security will operate as a good discharge against such holder and all previous holders of the Global Security.

### 13 Prescription

Claims against the Issuer for payment under the Conditions in respect of the ETP Securities shall be prescribed and become void unless made within 10 years (in the case of Redemption Amounts) or five years (in the case of default interest) from the date on which the payment of the Redemption Amount in respect of the ETP Securities first became due or (if any amount of the money payable was improperly withheld or refused) the date on which payment in full of the amount outstanding was made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further presentation of the ETP Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation (such date the “**Relevant Date**”), save that if the ETP Securities are in global form claims in respect of Redemption Amounts and default interest (if any) in respect of the relevant Global Security shall become void unless the Global Security is presented for payment within a period of 10 years (in the case of Redemption Amounts) or five years (in the case of default interest) from the appropriate Relevant Date.

### 14 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its discretion may, or shall, if so directed in writing by holders of at least one-fifth in number of the ETP Securities then outstanding or if so directed by an Extraordinary Resolution (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (such notice an “**Event of Default Redemption**”

**Notice**”) that the ETP Securities are, and they shall immediately become, due and payable at their Early Redemption Amount on the Early Redemption Date:

- (a) the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under the ETP Securities, the Security Deed or the Trust Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);
- (b) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (c) an examiner is appointed in respect of the Issuer.

The Issuer shall, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the Securityholders in accordance with Condition 20 (*Notices*) and to each of the other Transaction Parties.

The Issuer has undertaken in the Trust Deed that, on each anniversary of the issue date of the first series of securities issued under the Programme and also within 14 calendar days after any request by the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that as at a date not more than five calendar days prior to the date of the certificate no Event of Default or Potential Event of Default has occurred.

## 15 Enforcement

Pursuant to the terms of the Trust Deed, only the Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer as it may think fit to enforce the rights of the holders of the ETP Securities against the Issuer whether the same arise under general law, the Trust Deed or the ETP Securities, but it need not take any such action or step or institute proceedings unless (a) in accordance with the terms of the Trust Deed, the Trustee is so directed by an Extraordinary Resolution or in writing by holders of at least one-fifth in number of the ETP Securities then outstanding and (b) it is indemnified and/or secured and/or pre-funded to its satisfaction. None of the holders of the ETP Securities shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable time and such failure is continuing.

Pursuant to the terms of the Security Deed, only the Security Trustee may enforce the Security over the Secured Property in accordance with the Security Deed and only the Security Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer as it may think fit to enforce the Security over the Secured Property, but it need not take any such action or step or institute such proceedings unless (i) it shall have been so directed by a Securityholders’ Resolution or in writing by holders of at least one-fifth in number of the ETP Securities of all Series of ETP Securities then outstanding (in accordance with the Security Deed) and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. None of the Secured Creditors, Other Creditors, Securityholders or other Transaction Parties in respect of any Series of ETP Securities shall be entitled to proceed directly against the Issuer in respect of the Security Deed unless the Security Trustee, having become bound to proceed in accordance with the terms of the Security Deed, fails or neglects to do so within a reasonable time and such failure is continuing. The Security Trustee, the Securityholders and the Transaction Parties in respect of each Series of ETP Securities acknowledge and agree that only the Security Trustee may enforce the Security over the Secured Property in accordance with, and subject to the terms of, the Security Deed.

The Trustee and the Security Trustee shall in no circumstances be obliged to take any action, step or proceeding that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction whether pursuant to the Trust Deed, the Security Deed or otherwise.

## 16 Meetings of Securityholders, Modification, Waiver, Substitution and Restrictions

### (a) Meetings of Securityholders

In accordance with the terms of the Trust Deed, a meeting of Securityholders may be convened by the Issuer or the Trustee at any time during the term of the ETP Securities. The quorum requirement for a meeting and the voting arrangements are further described in the Trust Deed.

The special quorum provisions described in the Trust Deed shall apply to any meeting and Extraordinary Resolution relating to any proposal: (i) to amend the dates of maturity or redemption of the ETP Securities; (ii) to vary any method of, or basis for, calculating the Final Redemption Amount or Early Redemption Amount, as applicable, including any amendment to the Minimum Redemption Amount made in accordance with Condition 8(e)(ii)(A)(I) (*Suspension Threshold Trigger*); (iii) to vary the currency or currencies of payment or denomination of the ETP Securities; (iv) to take any steps that as specified in the Issue Deed and/or the Trust Deed may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply; (v) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution; or (vi) to modify the provisions of the Trust Deed concerning the special quorum provisions.

Notwithstanding anything to the contrary in these Conditions, for the avoidance of doubt, neither the approval of Securityholders by way of an Extraordinary Resolution of Securityholders or otherwise or the consent of the Trustee is required (without limitation) for:

- (A) the transfer of Posted Collateral from the Swap Collateral Account back to the Swap Counterparty under the Account Control Agreement and the related release of Security provided such transfer and release is effected in accordance with the terms of the Account Control Agreement;
- (B) the substitution of the Posted Collateral as described in Condition 11(d) (*Substitution of Posted Collateral*) and any amendments or supplements to the Account Control Agreement in connection therewith;
- (C) any change to any component of the Accrued Fee at any time;
- (D) any adjustment to the Conditions of the ETP Securities made pursuant to Condition 9(c) (*Adjustment Events*);
- (E) any appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);
- (F) the substitution of the Index with a Successor Index pursuant to Condition 10(a) (*Successor Index*);
- (G) the transfer of the Swap Agreement, the Account Control Agreement and/or the Swap Pledge Agreement pursuant to Condition 11(b) (*Transfer of Swap Agreement and Swap Transaction, Account Control Agreement and/or Swap Pledge Agreement*);
- (H) any increase to the Programme Maximum Number of ETP Securities;
- (I) any amendment to the eligibility requirements for Eligible Collateral as set out in the Account Control Agreement;
- (J) any amendment to any term of the Conditions or any Transaction Document which relates to an operational or procedural issue; or

(K) any extension to the Initial Swap Term or Extended Swap Term, as applicable.

(b) **Modification of the Relevant Transaction Documents**

Without prejudice to Condition 16(a) (*Meetings of Securityholders*), the Trustee may agree, without the consent of the Securityholders, to (i) any modification to these Conditions, the Trust Deed and/or any other Transaction Document to which the Trustee is a party which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed and/or any other Transaction Document to which the Trustee is a party that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver will be binding on the Securityholders and, if the Trustee so requires, such modification will be notified by the Issuer to the Securityholders in accordance with Condition 20 (*Notices*) as soon as reasonably practicable.

The Security Trustee may agree, without the consent of the Securityholders of any Series of ETP Securities, to (i) any modification to the Security Deed, the Swap Agreement, the Swap Pledge Agreement and/or the Account Control Agreement that is, in the opinion of the Security Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach of any term of the Security Deed that is in the opinion of the Security Trustee not materially prejudicial to the interests of the Securityholders of any Series of ETP Securities. Any such modification, authorisation or waiver will be binding on the Securityholders of each Series of ETP Securities and such modification will be notified by the Issuer to the Securityholders of each Series of ETP Securities in accordance with Condition 20 (*Notices*) of such Series of ETP Securities as soon as reasonably practicable unless the Trustee decides otherwise.

(c) **Waiver**

The Trustee may, without the consent of the Securityholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Securityholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer of the Trust Deed, the Conditions or any other Transaction Document or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Securityholders and will be notified to the Securityholders as soon as practicable unless the Trustee decides otherwise.

(d) **Substitution of Issuer**

The Trustee may, without the consent of the Securityholders, agree to the substitution, in place of the Issuer (or of any previous substitute) as the principal debtor under the Trust Deed, the Security Deed, the other Transaction Documents to which it is a party and the ETP Securities, of any other company (incorporated in any jurisdiction) (any such substitute company being the “**Substituted Obligor**”) whether in connection with the occurrence of a Swap Agreement Tax Event under the Swap Agreement or otherwise, provided that:

- (i) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Trust Deed, the Security Deed and the ETP Securities (with such consequential amendments as the Trustee, in its opinion, may deem appropriate) as if the Substituted Obligor had been named in the Trust Deed, the Security Deed and the ETP Securities as the principal debtor in place of the Issuer;
- (ii) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Security created in respect thereof pursuant to the Security Deed and takes all such action as the Trustee, in its opinion, may require so that the Security constitutes a valid charge, pledge

or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted Obligor;

- (iii) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Trustee shall not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;
- (iv) the Trustee will be satisfied (if it requires, by reference to legal opinions) that (A) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the ETP Securities and any Transaction Document have been obtained and (B) such approvals and consents are at the time of substitution in full force and effect;
- (v) the Issuer and the Substituted Obligor will (A) execute, and the Issuer shall procure that the Swap Counterparty and any other Transaction Party will execute, such other deeds, documents and instruments (if any) as the Trustee may require in order that such substitution is fully effective and (B) comply with such other requirements in the interests of the Securityholders as the Trustee may direct;
- (vi) in connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the holders of the ETP Securities, agree to a change of the law from time to time governing such ETP Securities and/or the Issue Deed and/or the Trust Deed and/or the Security Deed, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such Securityholders; and
- (vii) a legal opinion satisfactory to the Trustee is provided concerning any proposed substitution.

An agreement by the Trustee pursuant to this Condition 16(d) (*Substitution of Issuer*) and the Trust Deed shall, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the ETP Securities and the other Transaction Documents. The Substituted Obligor shall give notice of the substitution to the Securityholders within 14 calendar days of the execution of such documents and compliance with such requirements.

On completion of the formalities set out in this Condition 16(d) (*Substitution of Issuer*) and the Trust Deed, the Substituted Obligor shall be deemed to be named in these Conditions, the Trust Deed, the other Transaction Documents and the ETP Securities as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the Trust Deed, the other Transaction Documents and the ETP Securities shall be deemed to be amended as necessary to give effect to the substitution.

(e) **Proof of Default**

Proof that the Issuer has failed to make a payment of a Redemption Amount when due under the Conditions to the holder of any one ETP Security will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other ETP Securities that are then payable.

(f) **Entitlement of the Trustee**

In accordance with the terms of the Trust Deed, in connection with the exercise of its functions (including, but not limited to, those referred to in this Condition 16 (*Meetings of Securityholders, Modification, Waiver, Substitution and Restrictions*)) the Trustee will have regard to the interests of the Securityholders as a class and will not have regard to the consequences of such exercise for individual Securityholders and the Trustee will not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders. So long as the ETP Securities are in global form and the Global Security is held by or on behalf of the Relevant Clearing System, in considering the interests of Securityholders, the Trustee may have regard to any information provided to it by the Relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global

Security and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

(g) **Entitlement of the Security Trustee**

In accordance with the terms of the Security Deed, in connection with the exercise of its functions (including, but not limited to, those referred to in this Condition 16 (*Meetings of Securityholders, Modification, Waiver, Substitution and Restrictions*)) the Security Trustee will have regard to the interests of the Securityholders of each Series of ETP Securities as a class and will not have regard to the consequences of such exercise for individual Securityholders of any Series of ETP Securities or the other Secured Creditors and the Security Trustee will not be entitled to require, nor shall any Securityholder of any Series of ETP Securities be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders of any Series of ETP Securities. So long as the ETP Securities of any Series of ETP Securities are in global form and the Global Security is held by or on behalf of the Relevant Clearing System, in considering the interests of Securityholders in respect of such Series of ETP Securities, the Security Trustee may have regard to any information provided to it by the Relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Security and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

## 17 Replacement of ETP Securities

If an ETP Security in bearer form is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in London or such other Paying Agent, as the case may be, as may, from time to time, be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed ETP Security is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such ETP Security) and otherwise as the Issuer may require. Mutilated or defaced ETP Securities must be surrendered before replacements will be issued.

## 18 Further Issues of ETP Securities

(a) **Procedure for Requesting a Further Issuance**

Subject to Condition 6 (*Security*), the Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions, the Agency Agreement and the Authorised Participant Agreement, create and issue further securities having the same terms and conditions as the ETP Securities in all respects and so that such further issue shall be consolidated and form a single series with the ETP Securities.

*In accordance with clause 3.1 (Request to Issue and Subscribe) of the Authorised Participant Agreement, only an Authorised Participant may request that the Issuer issue additional Tranches of the ETP Securities by delivering a Creation Order to the Issuer (copied to the Swap Counterparty). A Valid Creation Order Confirmation will only be delivered by (or on behalf of) the Issuer to the relevant Authorised Participant and the Swap Counterparty if it has determined (or has had determined on its behalf) that all conditions to a valid Creation Order, as set out in clause 3.2 (Validity of Creation Orders) of the Authorised Participant Agreement, have been satisfied. Settlement of any further issuance by the Issuer of ETP Securities proposed by a Valid Creation Order Confirmation may only occur in full and shall not, in any circumstances, be partially settled. The Issuer shall have no obligation to issue further ETP Securities and no obligation to accept any Creation Orders or deliver (or have delivered on its behalf) any Valid Creation Order Confirmations from (but excluding) the 15th Relevant Business Day preceding the Scheduled Maturity Date.*

*ETP Securities requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time.*

Any new securities forming a single series with the ETP Securities and which are expressed to be constituted by the Trust Deed and secured by the Security Deed will, upon the issue thereof by the Issuer, be constituted by the Trust Deed and secured by the Security Deed without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the Trust Deed or the Programme Maximum Number of ETP Securities and shall be secured by the same Secured Property (as increased and/or supplemented in connection with such issue of such new securities) and references in these Conditions to “**Belgian Law Secured Property**”, “**English Law Secured Property**”, “**ETP Securities**”, “**Secured Property**”, “**Swap Agreement**”, “**Swap Pledge Agreement**”, “**Secured Issuer Obligations**”, “**Other Issuer Obligations**”, “**Secured Creditors**” and “**Other Creditors**” shall be construed accordingly.

(b) **Suspension of Further Issuances**

(i) *Early Redemption Events*

*In accordance with clause 3.2 (Validity of Creation Orders) of the Authorised Participant Agreement, if:*

- (A) *an Issuer Call Redemption Notice is delivered, the last day on which the Issuer is required to accept a Creation Order and deliver (or have delivered on its behalf) a Valid Creation Order Confirmation shall be the 4th Relevant Business Day preceding the related Early Redemption Valuation Date designated in such notice;*
- (B) *a Change of Law Redemption Notice is delivered by the Issuer, the last day on which the Issuer is required to accept a Creation Order and deliver (or have delivered on its behalf) a Valid Creation Order Confirmation shall be the 4th Relevant Business Day preceding the related Early Redemption Valuation Date designated in such notice;*
- (C) *the Swap Counterparty elects for the Swap Transaction to terminate on the last day of its scheduled term and such date falls before the Scheduled Maturity Date, the last day on which the Issuer is required to accept a Creation Order and deliver (or have delivered on its behalf) a Valid Creation Order Confirmation shall be the 4th Relevant Business Day preceding the scheduled termination date of the Swap Transaction;*
- (D) *a Swap Early Termination Date is designated or occurs under the Swap Agreement for any reason other than the occurrence of an Early Redemption Event, a Party A Optional Termination Event or a Party B Optional Termination Event, the last day on which the Issuer is required to accept a Creation Order and deliver (or have delivered on its behalf) a Valid Creation Order Confirmation shall be the earlier of the date of the notice (if any) designating the Swap Early Termination Date and the Swap Early Termination Date, as applicable;*
- (E) *a Swap Early Termination Date is designated or occurs under the Swap Agreement in connection with the occurrence of a Party A Optional Termination Event or Party B Optional Termination Event, the last day on which the Issuer is required to accept a Creation Order and deliver (or have delivered on its behalf) a Valid Creation Order Confirmation shall be the 4th Relevant Business Day preceding such Swap Early Termination Date; and*
- (F) *an Index Cancellation No Successor Notice, an Agent Redemption Event Notice, a Publication Event Redemption Notice, a Value per ETP Security Threshold Level Notice, an AP Redemption Event Notice, a Swap Counterparty Default Redemption Notice, a Swap Tax Event Redemption Notice or a Security Enforcement Redemption Notice is delivered, the last day on which the Issuer is required to accept a Creation Order and deliver (or have delivered on its behalf) a Valid Creation Order Confirmation shall be the date of such notice.*

(ii) *Creation Suspension Event*

*The Issuer may suspend the issuance of further ETP Securities at any time. If a Creation Suspension Event occurs, the Issuer shall not be obliged to accept any further Creation Orders or deliver (or have delivered on its behalf) any Valid Creation Order Confirmations in respect of the ETP Securities with effect from the date of suspension specified in the relevant notice to the Issuing and Paying Agent, the Authorised Participants and the Swap Counterparty until such time (if any) as the Issuer notifies, in accordance with clause 3.7 (Creation Suspension Event) of the Authorised Participant Agreement, such parties that it shall recommence the issue of further Tranches of the ETP Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Relevant Business Day following the date of such notice.*

The Issuer shall give notice to Securityholders in accordance with Condition 20 (Notices) of any such suspension or cessation of suspension as soon as reasonably practicable after giving any notice of such suspension or cessation in accordance with the Authorised Participant Agreement.

(iii) *Issuing and Paying Agent Bankruptcy Event*

*In accordance with clause 3.8 (Issuing and Paying Agent Bankruptcy Event) of the Authorised Participant Agreement, if an Issuing and Paying Agent Bankruptcy Event occurs, the Issuer shall not be obliged to accept any further Creation Orders or deliver (or have delivered on its behalf) any Valid Creation Order Confirmations until (A) such time as a replacement Issuing and Paying Agent is appointed in accordance with the Agency Agreement or (B) the Issuer is procuring determination of the requisite determinations and calculations of the Issuing and Paying Agent pursuant to Condition 12(d)(ii) (Calculations and Determinations).*

(iv) *No Closing Index Level published*

*In accordance with clause 3.2 (Validity of Creation Orders) of the Authorised Participant Agreement, the Issuer will not be obliged to deliver (or have delivered on its behalf) a Valid Creation Order Confirmation in respect of a Creation Order delivered on any Relevant Business Day if no Closing Index Level has been published by the Issuer on the Website on such Relevant Business Day in respect of the preceding Scheduled Valuation Day.*

(c) **Cancellation of creations prior to Creation Settlement Date**

(i) *Prolonged Settlement Delay*

*Provided that the subscription confirmed by a Valid Creation Order Confirmation has not been cancelled pursuant to Condition 18(c)(ii) (Swap Counterparty Bankruptcy Event) or Condition 18(c)(iii) (Early Redemption Event or Final Redemption Valuation Date), where the related Creation Settlement Date has not occurred by close of business on the third London and Paris Business Day following the Scheduled Creation Settlement Date (the “**Creation Settlement Backstop Date**”), such Valid Creation Order Confirmation (including the subscription confirmed by such Valid Creation Order Confirmation), the related Creation Order and any ETP Securities issued on the Scheduled Creation Settlement Date which are pending settlement to such Authorised Participant shall each be automatically cancelled and deemed void with effect from such Creation Settlement Backstop Date.*

*Following notification of a settlement failure in accordance with clause 3.6 (Notification of Creation Settlement Failure) of the relevant Authorised Participant Agreement, the relevant Authorised Participant and the Swap Counterparty may agree to adjust the Creation Settlement Backstop Date (any date so agreed, the “**Adjusted Creation Settlement Backstop Date**”). If an Adjusted Creation Settlement Backstop Date is agreed, the Swap Counterparty shall notify the Issuer and the Issuing and Paying Agent of such date and the Valid Creation Order Confirmation (including the subscription confirmed by such Valid Creation Order Confirmation), the related Creation Order and any ETP*



*Securities issued on the Scheduled Creation Settlement Date which are pending settlement to such Authorised Participant shall not be automatically cancelled and deemed void with effect from the Creation Settlement Backstop Date, but rather from such Adjusted Creation Settlement Backstop Date. Any adjustment to the Creation Settlement Backstop Date shall not affect the operation of Condition 18(c)(ii) (Swap Counterparty Bankruptcy Event) or 18(c)(iii) (Early Redemption Event or Final Redemption Valuation Date) with respect to a cancellation prior to the Adjusted Creation Settlement Backstop Date of the Valid Creation Order Confirmation (including the subscription confirmed by such Valid Creation Order Confirmation), the related Creation Order and any ETP Securities issued on the Scheduled Creation Settlement Date which are pending settlement to such Authorised Participant.*

(ii) *Swap Counterparty Bankruptcy Event*

*Provided that the subscription confirmed by a Valid Creation Order Confirmation has not been cancelled pursuant to Condition 18(c)(i) (Prolonged Settlement Delay) or Condition 18(c)(iii) (Early Redemption Event or Final Redemption Valuation Date), where the related Creation Settlement Date has not occurred and a Swap Counterparty Bankruptcy Event occurs, such Valid Creation Order Confirmation (including the subscription confirmed by such Valid Creation Order Confirmation), the related Creation Order and any ETP Securities issued on the Scheduled Creation Settlement Date which are pending settlement to such Authorised Participant shall each be automatically cancelled and deemed void with effect from the date of the occurrence of such Swap Counterparty Bankruptcy Event.*

(iii) *Early Redemption Event, Event of Default or Final Redemption Valuation Date*

*Provided that the subscription confirmed by a Valid Creation Order Confirmation has not been cancelled pursuant to Condition 18(c)(i) (Prolonged Settlement Delay) or Condition 18(c)(ii) (Swap Counterparty Bankruptcy Event), where the related Creation Settlement Date has not occurred and an Early Redemption Event, Event of Default or the Final Redemption Valuation Date occurs, such Valid Creation Order Confirmation (including the subscription confirmed by such Valid Creation Order Confirmation), the related Creation Order and any ETP Securities issued on the Scheduled Creation Settlement Date which are pending settlement to such Authorised Participant shall each be automatically cancelled and deemed void with effect from the relevant Early Redemption Valuation Date or the Final Redemption Valuation Date, as applicable.*

## **19 Consolidation and Division of ETP Securities**

The Issuer may at any time consolidate or divide all of the ETP Securities into ETP Securities with a proportionately larger or smaller principal amount and Value per ETP Security. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Deed. Whenever as a result of consolidation of ETP Securities, a Securityholder would become entitled to a fraction of an ETP Security the Issuer will redeem such fractional ETP Security.

If the Issuer decides to consolidate or divide the ETP Securities, it shall notify the Trustee, the Authorised Participants, the Issuing and Paying Agent and the Swap Counterparty of the same and notify the Securityholders in accordance with Condition 20 (*Notices*) of the same.

## **20 Notices**

All notices to holders of ETP Securities shall be valid if:

- (a) published in a daily newspaper with general circulation in Europe and any such notices shall be conclusively presumed to have been received by the holders of the ETP Securities. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given to the holders of the ETP Securities

on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above;

- (b) for so long as the ETP Securities are in global form, notices required to be given in respect of the ETP Securities represented by a Global Security are given by their being delivered (so long as the Global Security is held on behalf of a Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Security, rather than by publication as required above. Any such notice shall be deemed to have been given to the holders of the ETP Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System; and
- (c) for so long as the ETP Securities are listed on any Relevant Stock Exchange, published or delivered in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority.

## 21 Relevant Clearing System

None of the Issuer, the Trustee, the Security Trustee, the Agents nor the Swap Counterparty will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

## 22 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the ETP Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the ETP Securities expressly provide for such Act to apply to any of their terms.

## 23 Governing Law

- (a) **English Law:** The Issue Deed, the Trust Deed, the Security Deed (except for clauses 3.2 and 3.15 of the Security Deed) and the ETP Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Belgian Law:** Clauses 3.2 and 3.15 of the Security Deed and any non-contractual obligations arising out of or in connection therewith shall be governed by and construed in accordance with Belgian law.

## 24 Jurisdiction

### (a) Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any ETP Securities and, accordingly, any legal action or proceedings arising out of or in connection with any ETP Securities (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

### (b) Service of Process

The Issuer shall by executing the Issue Deed irrevocably appoint for the time being the process agent specified in such Issue Deed to receive, for it and on its behalf, service of process in any Proceedings in England. Service of process on such process agent shall be deemed valid service upon the Issuer whether or not it is forwarded to and received by the Issuer. The Issuer shall inform the Trustee in writing of any change in its process agent’s address within 28 calendar days of such change. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent in England reasonably acceptable to the Trustee and to deliver to it a copy of the substitute process agent’s written acceptance of that appointment, within 14 calendar days.

## **Schedule**

### **Value per ETP Security**

The “**Value per ETP Security**” in respect of a Scheduled Valuation Day is an amount equal to:

- (a) if the Scheduled Valuation Day is the Series Issue Date, the Issue Price per ETP Security on the Series Issue Date;
- (b) subject to paragraph (c) below, in relation to any other Scheduled Valuation Day:
  - (i) the Value per ETP Security for the immediately preceding Scheduled Valuation Day; multiplied by
  - (ii) the Closing Index Level for such Scheduled Valuation Day (subject to paragraph (d) below) divided by the Closing Index Level for the immediately preceding Scheduled Valuation Day; multiplied by
  - (iii) the Index Adjustment Factor; minus
  - (iv) the Accrued Fee; minus
  - (v) the Disruption Adjustment Amount (if any); minus
  - (vi) the Tax Adjustment Amount (if any);
- (c) in relation to a Scheduled Valuation Day (including where the Scheduled Valuation Day is an Early Redemption Valuation Date or the Final Redemption Valuation Date) in respect of which:
  - (i) no Disruption Event has occurred but the Value per ETP Security for the immediately preceding Scheduled Valuation Day has not been determined and published on the Website in accordance with Condition 5 (*Determination and Publication of Value per ETP Security*); or
  - (ii) a Swap Counterparty Event of Default has occurred or exists,  
  
the Value per ETP Security in respect of such Scheduled Valuation Day shall be deemed to be equal to the Value per ETP Security determined in respect of the last preceding Scheduled Valuation Day in respect of which a Value per ETP Security was determined and published on the Website in accordance with Condition 5 (*Determination and Publication of Value per ETP Security*); and
- (d) where a Scheduled Valuation Day is a Disrupted Day, other than where a Swap Counterparty Event of Default has occurred on or after such Disrupted Day (in which case paragraph (c) of this Schedule shall apply), the Closing Index Level determined by the Swap Calculation Agent and notified to the Issuer in accordance with Part 5(gg) (*Disruption Event and Determination of Closing Index Level*) of the schedule to the Swap Agreement for such Disrupted Day shall apply for the purposes of determining the Value per ETP Security for such Scheduled Valuation Day, as further described in Condition 9(b) (*Disruption Event and Determination of Closing Index Level*).

For these purposes:

“**Accrued Fee**” means, in relation to any Scheduled Valuation Day, an amount equal to:

- (a) the Value per ETP Security in respect of the immediately preceding Scheduled Valuation Day; multiplied by
- (b) the sum of the Arranger Fee Percentage, the Swap Spread Fee Percentage and the Index License Fee Percentage; multiplied by
- (c) (i) the actual number of calendar days in the period from (but excluding) the immediately preceding Scheduled Valuation Day to (and including) the Scheduled Valuation Day in respect of which the Accrued Fee is being calculated; divided by (ii) the actual number of calendar days in the relevant calendar year in which such Scheduled Valuation Day falls.

“**Arranger Fee Percentage**” means the rate per annum specified in the Final Terms equal to the rate applicable in order to fund the fees payable by the Issuer to the Arranger and each other service provider in respect of this Series of ETP Securities.

“**Disruption Adjustment Amount**” means where:

- (a) a Disrupted Day has occurred; and
- (b) such Disruption Event has, in the opinion of the Swap Counterparty acting in good faith and a commercially reasonable manner (i) prevented it, despite using all commercially reasonable endeavours to do so, from fully rebalancing the Hedge Position and accordingly, there is a shortfall in the rebalancing of the Hedge Position (such shortfall, a “**Rebalancing Shortfall**”); or (ii) otherwise materially affected the Hedge Position in respect of such Disrupted Day,

an amount (if any) per ETP Security determined by the Swap Calculation Agent acting in good faith and a commercially reasonable manner as corresponding to such Rebalancing Shortfall or such material effect.

“**Hedge Position**” means, in respect of any given day, the hedging arrangement(s), transaction(s) and/or trading position(s) (if any) entered into by the Swap Counterparty and/or any of its Affiliates, and which remain outstanding as at such day, in order to hedge the Swap Counterparty’s obligations under the Swap Transaction.

“**Index Adjustment Factor**” means:

- (a) where a rebasing, consolidation or division occurs in respect of the Index on a Scheduled Valuation Day resulting in the Index Sponsor adjusting the Closing Index Level of such Index for such Scheduled Valuation Day by a particular factor, a factor to be applied as determined by the Swap Calculation Agent in good faith and a commercially reasonable manner being equal to the inverse of that by which the Closing Index Level is adjusted to ensure that such rebasing, consolidation or division of the Index does not have an unintended impact on the Swap Value; or
- (b) where, in respect of any Scheduled Valuation Day, the circumstances specified in paragraph (a) have not been satisfied, 1.0.

“**Index License Fee Percentage**” means the rate per annum specified in the Final Terms equal to the rate applicable in order to fund the fees payable by the Issuer or the Arranger to the relevant Index Sponsor, as that rate may be adjusted from time to time by the Issuer and notified to the Swap Counterparty.

“**Swap Spread Fee Percentage**” means the rate per annum specified in the Final Terms equal to the rate applicable in order to fund the fees payable by the Issuer to the Swap Counterparty in respect of the Swap Transaction, as that rate may be adjusted from time to time as agreed between the Swap Counterparty and the Issuer.

“**Tax Adjustment Amount**” means where:

- (a) any stamp, registration, documentation, financial transaction or similar tax is required to be paid by the Swap Counterparty and/or any of its Affiliates in respect of the Hedge Position; or
- (b) any U.S. withholding tax liability is incurred pursuant to Section 871(m) in respect of the Swap Transaction entered into in connection with the relevant Series of ETP Securities, whether or not such U.S. withholding tax liability is due and payable to the relevant tax authorities immediately on such Scheduled Valuation Day or on a later date,

an amount (if any) per ETP Security determined by the Swap Calculation Agent in good faith and a commercially reasonable manner as corresponding to such tax incurred.