Base Prospectus
dated 20 May 2026

Bitwise®

Bitwise Europe GmbH

(a limited liability company incorporated under the laws of the Federal Republic of Germany, having its corporate domicile in Frankfurt am Main, Federal Republic of Germany)

as Issuer

Programme for the issuance of Bonds linked to and secured by Multiple Assets
(the "Programme")

Under the Programme, Bitwise Europe GmbH (the "**Issuer**") may from time to time issue bonds in bearer form linked to and secured by various individual underlying assets, as well as baskets of underlying assets, which qualify as eligible underlyings under the Programme, such as shares, indices, exchange traded products (such as funds and debt securities) and cryptocurrencies (the "**Bonds**"). The Bonds do not have a fixed maturity date. The Bonds will be governed by the laws of the Federal Republic of Germany ("**Germany**").

This document constitutes a base prospectus within the meaning of Article 8(1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"), as amended, of Bitwise Europe GmbH (the "**Base Prospectus**"). This Base Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Issuer (https://bitwiseinvestments.eu/).

This Base Prospectus has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**Bafin**") in its capacity as competent authority under the Prospectus Regulation.

Bafin only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.

Further, such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this Base Prospectus.

Investors should make their own assessment as to the suitability of investing in the Bonds.

This Base Prospectus may be filed in Switzerland with a review body (*Prüfstelle*) approved by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") as a foreign prospectus that is deemed approved according to Article 54(2) of the Swiss Federal Financial Services Act ("**FinSA**") for entry on the list of approved prospectuses according to Article 64(5) FinSA, deposited with this review body and published according to Article 64 FinSA. Notwithstanding anything else in this Base Prospectus, the Issuer may make offers of Bonds to the public in Switzerland ("**Swiss Non-exempt Offers**"), in respect of which the Issuer shall complete Final Terms (as defined below). The Issuer may also make offers of Bonds in Switzerland pursuant to an exemption under Article 36(1) FinSA or where such offers do not qualify as a public offer in Switzerland.

In relation to the Bonds to be issued under this Base Prospectus, application may be made to the Frankfurt Stock Exchange for the Bonds to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange. The regulated market of the Frankfurt Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments ("**MiFID II**"), as amended. Application may also be made to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange and to any Swiss trading venue in the sense of the Swiss Federal Financial Market Infrastructure Act of 19 June 2015 ("**FMIA**"), as amended, e.g. on

SIX Swiss Exchange AG ("**SIX Swiss Exchange**") for the Bonds to be admitted to trading on any such Swiss trading venue. Further, Bonds may not be admitted to trading at all.

The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"). The Bonds are being offered outside the United States of America (the "**United States**" or "**U.S.**") in accordance with Regulation S under the Securities Act, and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Base Prospectus may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation.

The validity of this Base Prospectus will expire at the end of 20 May 2027. Any obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a base prospectus is no longer valid.

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1. GENERAL DESCRIPTION OF THE PROGRAMME

1.1. GENERAL

Under this Base Prospectus, Bitwise Europe GmbH (the "**Issuer**") may from time to time issue Bonds in units with no par value denominated in Euro or another fiat currency. The total amount of a specific issue of Bonds will be set out in the relevant final terms document (the "**Final Terms**", substantially in the form set out below under "20. FORM OF FINAL TERMS") prepared in relation to each issue of Bonds under the Programme. Each issue of Bonds (each a "**Series of Bonds**") is represented by a global note (the "**Global Note**").

Bonds issued under this Base Prospectus are issued under German law, are debt securities (*Schuldverschreibungen*) within the meaning of Section 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and are being issued in bearer form. Bonds issued under this Base Prospectus do not provide for any interest payments and do not have a fixed maturity date.

1.2. STRUCTURES OF BONDS TO BE ISSUED UNDER THE BASE PROSPECTUS

This Base Prospectus provides for the issue of Bonds with the following assets and/or asset classes as individual underlying(s) as well as combinations thereof in the form of a basket:

1. Cryptocurrencies and other digital assets (each, a "**Cryptocurrency**" and together the "**Cryptocurrencies**");

2. Equity company shares of any type (each, a "**Share**" and together, the "**Shares**");

3. Exchange traded products such as funds and debt securities (each, an "**ETP**" and together, the "**ETPs**"); and

4. Indices (except for proprietary indices of the Issuer or comprised of components of one or multiple asset classes (each, an "**Index**" and together, the "**Indices**").

Together, the Cryptocurrencies, Shares, ETPs and Indices shall be referred to as "**Eligible Programme Underlyings**". Unless otherwise specified herein, the Eligible Programme Underlyings as well as the components of any Index used as underlying shall be referred to as "**Underlying Assets**".

Each Bond issued under the Base Prospectus tracks the performance of a single Underlying Asset or basket of Underlying Assets by representing the right of the Bondholder to demand from the Issuer (a) delivery of the respective Underlying Asset or (b) payment of a cash amount in fulfillment of its delivery claim to the above-mentioned Underlying Asset.

In case of an Index as Underlying Asset or a basket of Underlying Assets, unless otherwise specified, any reference in the Base Prospectus to "*Underlying Asset*" shall also refer to each of the Underlying Assets comprised in such basket or in the Index as components of the Index.

Bonds issued under this Base Prospectus may also provide for a FX Hedging component through which Issuer aims to hedge the currency exposure between the currency of the Bonds and the currency of the reference price of the Underlying Asset.

Bonds issued under this Base Prospectus may also provide for an accumulation of proceeds generated from dividends and other distributions of the Underlying Assets, from the staking and/or utilisation for decentralised finance linked activities of the underlying Cryptocurrencies, from covered call strategies utilizing the Underlying Assets, from leveraged and short exposure transactions utilizing the Underlying Assets, from currency hedging transactions seeking to offset movements in exchange rate fluctuations between the currency of the Bonds and the currency in which the Underlying Assets are denominated

as well as from any other activities related to and usages of the Underlying Assets, which are permitted under the relevant Final Terms.

The Bonds are subject to an ongoing management fee which is directly deducted from the Underlying Assets.

The Bonds do not have a fixed maturity date but may be terminated by the Issuer and/or exercised by the Bondholders.

A more detailed description of these structures is set out below under "13. GENERAL DESCRIPTION OF THE BONDS – 13.2. *Description of the Bonds*".

1.3. ISSUE PROCEDURES

The Base Prospectus provides for the issue of the following types of Bonds as well as combinations thereof in the form of a basket of Underlying Assets:

1. Cryptocurrency Linked Bonds;
2. Equity Linked Bonds;
3. ETP Linked Bonds; and
4. Index Linked Bonds.

The terms and conditions applicable to the relevant Series of Bonds (the "**Terms and Conditions**") consist of the General Terms and Conditions, the Issue Specific Terms and Conditions and an Issue Specific Annex (in each case as defined below).

The Terms and Conditions will be determined as follows:

General Terms and Conditions

The general terms and conditions of the Bonds (the "**General Terms and Conditions**") are set forth below in the section "General Terms and Conditions".

Issue Specific Terms and Conditions

The Base Prospectus includes issue specific terms and conditions of the Bonds (the "**Issue Specific Terms and Conditions**") for the following 4 options (each an "**Issue Specific Option**" and, together, the "**Issue Specific Options**"):

Issue Specific Option I applies to Cryptocurrency Linked Bonds.

Issue Specific Option II applies to Equity Linked Bonds.

Issue Specific Option III applies to ETP Linked Bonds.

Issue Specific Option IV applies to Index Linked Bonds.

The Issue Specific Terms and Conditions are set forth in the section "Issue Specific Terms and Conditions" below.

Issue Specific Annexes

The Base Prospectus includes one or several issue specific annexes of the Bonds (each an "**Issue Specific Annex**" and, together, the "**Issue Specific Annexes**") for the each of the Issue Specific Options, whereby, in each case, Issue Specific Annex A applies to the calculation of the Asset Entitlement and Issue Specific Annex B applies with regards to provisions relating to Adjustments and Special Situations.

The Issue Specific Annexes are set forth in the section "Issue Specific Annexes" below.

Final Terms

The Final Terms for a specific issuance of Bonds will (i) determine which of the Issue Specific Options I through IV of the Issue Specific Terms and Conditions of the Bonds (whereby multiple Options may be applicable in case of a basket of Underlying Assets) together with the respective Issue Specific Annexes shall apply to the relevant issue of Bonds by inserting the General Terms and Conditions, such Issue Specific Option and the relevant Issue Specific Annex in the Final Terms Part I and will (ii) specify and complete the General Terms and Conditions, the relevant Issue Specific Option and the relevant Issue Specific Annex so inserted, respectively.

1.4. ISSUE PRICE AND YIELD

The issue price of the relevant Series of Bonds will be specified in the relevant Final Terms.

For any entity supervised by a financial supervisory authority in a member state of the European Economic Area, the United Kingdom, Canada, Australia, Singapore, New Zealand, Japan, Switzerland, Hong Kong (SAR) or the United States which has been appointed by the Issuer as an authorised participant (the "**Authorised Participants**"), the issue price for the relevant Series of Bonds to be issued will be determined at the time of pricing on the basis of the calculation methods as further described below under "22. SUBSCRIPTION, SALE AND OFFER OF THE BONDS – 22.1.4. *Method of determination of the Issue Price*".

For investors other than Authorised Participants, the purchase price for a Series of Bonds will be determined by each Authorised Participant on an ongoing basis and may be subject to additional subscription fees.

The yield of the Bonds cannot be calculated at the issue date of a Series of Bonds.

1.5. PURCHASE OF BONDS

In the primary market, each issue of a Series of Bonds is initially only purchased by Authorised Participants and may subsequently be offered by such Authorised Participants to institutional and retail investors or to institutional investors only, as specified in the relevant Final Terms, in compliance with applicable selling restrictions during the relevant offer period (as specified in the relevant Final Terms) also with regard to specific offering jurisdictions. As a consequence, only Authorised Participants may buy Bonds directly from the Issuer in the primary market. Investors will not be able to buy Bonds directly from the Issuer in the primary market but may only buy Bonds in the secondary market (i) directly from an Authorised Participant or from any person (ii) via a stock exchange (in case of Bonds admitted to trading on a stock exchange) or (iii) over the counter.

1.6. REASON FOR THE OFFERS

Unless specified otherwise in the relevant Final Terms, the reason for the issue of Bonds under the Programme is primarily to finance the general business development of the Issuer.

1.7. LISTING AND ADMISSION TO TRADING

In relation to the Bonds to be issued under this Base Prospectus, application may be made to the Frankfurt Stock Exchange for the Bonds to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange as well as to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange (the respective stock exchanges, on which application will be made for the respective Bonds to be admitted to trading on the regulated market, as well as the respective date of such application, will be specified in the relevant Final Terms). Application may also be made to any Swiss trading venue within the meaning of the FMIA for the Bonds to be admitted to trading on any such Swiss trading venue. Further, Bonds to be issued under this Base Prospectus may not be admitted to trading on any stock exchange.

1.8. PURPOSE OF THE BASE PROSPECTUS

This Base Prospectus has been drawn up for purposes for (i) an offer of the Bonds to the public in accordance with Article 3 (1) of the Prospectus Regulation and (ii) the admission of the Bonds to trading on a regulated market in accordance with Article 3 (3) of the Prospectus Regulation.

1.9. CLEARING AND SETTLEMENT

Payments and transfers of any Series of Bonds will be settled through Clearstream Europe AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.

The securities codes assigned to each Series of Bonds will be specified in the relevant Final Terms.

1.10. RATING

Neither the Issuer nor any Series of Bonds are rated.

2. RISK FACTORS

*Bitwise Europe GmbH (the "**Issuer**") believes that the following factors may affect its ability to fulfil its obligations under the Bonds.*

The risk factors are presented in a limited number of categories depending on their nature. In each category the two most material risk factors are mentioned first according to the assessment of the Issuer.

The order of appearance of the risk factors that follow after the most significant risk factors within the same category is not indicative of the Issuer's opinion regarding the significance of such risk factors.

The Issuer assesses the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

2.1. RISKS RELATING TO THE ISSUER

The following descriptions of the risk factors relating to the Issuer and their occurrence within a risk category, with the two most material risk factors presented first in each category, should be understood as descriptions of residual risks, i.e. of the remaining risks following all counter measures taken in order to avoid such risks or limit their adverse effects.

2.1.1. Risks related to the Issuer's business activities

2.1.1.1. Risks related to the limited business objective of the Issuer.

The focus of the Issuer's business activities is the issuance of bonds (the "**Bonds**") linked to and secured by various assets and asset classes such as shares, indices, exchange traded products (such as funds and debt securities) and cryptocurrencies (together, the "**Underlying Assets**"). The Issuer will not carry out any other business than the issue of such Bonds. Because of this limited business objective, the Issuer is exposed to the risk that such Bonds do not become successful or become less successful going forward and the Issuer cannot adapt to such changed circumstances. Due to this limited business objective the Issuer may then be unsuccessful in carrying out its business which could have an adverse impact on the Issuer`s business and financial situation.

Further, under the intercompany agreement between the Issuer and Bitwise Europe Management Ltd ("**BEM**"), BEM has the right to charge the Issuer for its services to the Issuer with up to 100 per cent. of the Issuer's gross revenues, which are calculated as (1) the sum of all fees charged by and income accrued by the Issuer in connection with the issuance of the Bonds and in accordance with the Terms and Conditions of the respective Series of Bonds, irrespective of manner of payment, including in particular any revenues generated (i) through charging subscription fees, certain redemption fees, ongoing fees corresponding to the Diminishing Entitlement Rate (as specified in the relevant Final Terms in relation to each Series of Bonds) on the Units of the Underlying Assets received as proceeds for the subscription of the Bonds (either directly or through exchange of cash amounts or Eligible Subscription Assets received) and deposited in the Secured Custody Account in relation to each Series of Bonds as well as (ii) by withholding of a certain proportion of profits or benefits received in connection with the holding or utilization of the Underlying Assets (as specified in the relevant Final Terms in relation to each Series of Bonds) minus (2) all properly incurred expenses related to the marketing and promotion of the Bonds (excluding fees of the directors of the Issuer).

. Accordingly, such revenues will not be available to the Issuer and, ultimately, the Bondholders, in case of financial difficulties or an insolvency scenario.

2.1.1.2. Risks related to the Issuer's dependence on its reputation and the reputation of associated parties.

Due to the highly competitive market environment in the Issuer's core business, i.e. the issuance of the Bonds, the Issuer depends on its reputation and the reputation of associated parties to maintain and grow its such core business. Any material adverse event, such as (but not limited to) defaults and insolvencies of associated parties, legal proceedings involving the Issuer or any associated party or negative media

reports on the Issuer or its associated parties, could impact the Issuer's reputation, which could, in turn, depress the Issuer's profitability, creditworthiness and fundraising capacity. This, in turn, can affect the demand for and liquidity of any Series of Bonds and price of any Series of Bonds on the market related to the prices of the relevant Underlying Assets and – in case such development triggers a Mandatory Redemption Event in relation to a Series of Bonds – may result in the Issuer giving a Mandatory Redemption Notice (such risks are further described under 2.2.1.11. "*The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption*").

2.1.1.3. Risk of data breaches in relation to data about subscriptions and redemptions.

The Issuer maintains significant amounts of data about subscriptions to and redemptions of each Series of Bonds. For every subscription or redemption, the Issuer may receive and maintain in relation to each subscribing or redeeming investor the following data: (i) proof of identity and/or incorporation documents; (ii) residence or incorporation address; (iii) certain bank and securities accounts details; (iv) blockchain digital wallets information; (v) contact information and (vi) such other information requested by the Issuer from time to time. A significant data breach may have wide reaching adverse effects, including trading losses and reputational damage, which may adversely impact the Issuer's core business and could therefore have a negative impact on the Issuer`s profitability, creditworthiness and fundraising capacity.

2.1.2. Risks related to the Issuer's corporate structure

2.1.2.1. Risks related to the concentration of shareholdings in the Issuer and the Holding Company.

The Issuer is wholly owned by BEM, which, in turn, is wholly owned by Bitwise Europe Ltd, which, in turn, is wholly owned by Bitwise Asset Management, Inc. the ultimate parent company of the Issuer (the "**Holding Company**").[1]

As such, the shareholders of the Holding Company have significant influence on the management of the Issuer. There can be no assurance that the shareholders of the Holding Company or their representatives will exercise their voting rights in a manner that benefits the Issuer or Bondholders.

2.1.3. Legal and regulatory risks

2.1.3.1. Risk of breaches in the compliance processes of the Issuer or its service providers.

The Issuer does not carry out any other business than the issue of the Bonds and does not safekeep, administrate and/or protect cryptographic values or private cryptographic keys for others, so that the Issuer does not require a banking license pursuant to Section 32 of the German Banking Act (*Kreditwesengesetz* – "**KWG**"). Accordingly, pursuant to the regulatory framework which is currently applicable to the Issuer, it faces relatively low compliance requirements, as it is, for example, not directly responsible for "know your client" ("**KYC**") checks or anti-money laundering ("**AML**") checks of end investors. However, the Issuer takes reasonable efforts to establish the nature of counterparty and customer activities and ascertain the legitimacy of counterparty funds. In this respect the Issuer relies on its Authorised Participants to perform checks on the sources of funds. It should be stressed that performing KYC/AML checks in respect of transactions related to certain types of Underlying Assets, such as Cryptocurrencies is new and challenging and even though Authorised Participants are regulated entities, there is risk of compliance failures with respect to KYC/AML. Any breach of the compliance processes of the Issuer, Authorised Participants or service providers could have a material adverse effect on the Issuer's core business, including reputational damage and significant legal and financial impact.

2.1.3.2. Change in regulatory status of the Issuer.

The Issuer`s business is focused on issuing the Bonds. Although some financial supervisory authorities across Europe may restrict trading in certain types of the Underlying Assets, such as cryptocurrencies, and/or categories of market participants which may deal with such types of Underlying Assets, the

[1] A structure chart of the Bitwise Group is provided at 11.4.

Issuer is currently not required to be licensed, registered or authorised under any securities, commodities or banking laws of its jurisdiction of incorporation or operation and currently operates without supervision by any authority in any jurisdiction. However, the regulatory authorities in one or more other jurisdictions relevant to the Issuer's business may determine that the Issuer is required to be licensed, registered or authorised under the securities, commodities or banking laws of such jurisdiction and there can be no guarantee that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could require the Issuer to obtain licenses, registrations or authorisations or even make it impossible for the Issuer to perform its current business. The Issuer may not be granted such licenses, registrations or authorisations or it may face severe financial implications. This may have an adverse impact on the Issuer conducting its business and the administration of any Series of Bonds and may result in the Issuer giving a Mandatory Redemption Notice in relation to a Series of Bonds (such risks are further described under 2.2.1.11. "*The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption*").

2.1.3.3. Risks related to regulation of blockchain technologies and digital assets.

As the Bonds may be linked to a Cryptocurrency or an Index of Cryptocurrency, they are subject to the regulatory regime governing such underlying Cryptocurrency, which is not fully developed and subject to constant and, in some instances, rapid evolvement. Various legislative and executive bodies in Germany and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the future development of the Cryptocurrency and other crypto assets and the growth of the markets for this asset class and, in turn, the adoption, utility and performance of each Series of Bonds. Failure by the Issuer or certain investors to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines and may negatively affect the rights of investors under a Series of Bonds.

2.1.3.4. Dependence on certain service providers and potential conflicts of interest.

The Issuer is dependent on a number of service providers to maintain the issue of a Series of Bonds and the security relating to such Series of Bonds. These include the Depositary, Authorised Participants, the Paying Agent and Fiscal Agent, the Administrator, the Staking Provider, the Investment Manager, the FX Counterparty, the Execution Agent, the Determination Agent, the Fiat Execution Agent, the NAV Calculation Agent, the Clearing System and the security trustee, which is authorised under the Terms and Conditions to hold and administer security interest over the Deposited Underlying Assets and any other assets in relation to each Series of Bonds held in the Secured Custody Account operated by the relevant Depositary on behalf of the Issuer (the "**Secured Custody Account**") and the associated account of the Issuer maintained by the Depositary (the "**Collateral**") for the benefit of the holders of a Series of Bonds (each a "**Bondholder**" and together, the "**Bondholders**"), itself and the Bondholders' Representative (as defined below), if appointed, (the "**Security Trustee**"). Should there be a material adverse change in cooperation with any existing service provider and a suitable alternative be unavailable or impracticable, it may be impossible for the Issuer to continue to maintain any listing of a Series of Bonds and fulfil its obligations thereunder. In addition, the role of service providers may give rise to conflicts of interest, which are adverse to the interests of any Bondholders.

The Bonds provide for a right of the Issuer to initiate mandatory redemption in respect of a Series of Bonds if any third-party service provider, including the Issuer's auditors, legal advisors, the Clearing System, the Paying Agent, the Fiscal Agent, the Security Trustee, the Authorised Participants, the Administrator, the Staking Provider, the Investment Manager, the FX Counterparty, the Execution Agent, the Determination Agent, the Fiat Execution Agent, the NAV Calculation Agent, and the Depositary, stops providing services to the Issuer, and the Issuer fails to find a replacement within a reasonable time.

2.1.3.5. Dependence on authorisations.

In relation to the Bonds to be issued under this Base Prospectus, application may be made to the Frankfurt Stock Exchange for the Bonds to be admitted to trading on the regulated market (*regulierter*

Markt) of the Frankfurt Stock Exchange as well as to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange (as specified in the relevant Final Terms). In relation to such Bonds to be admitted to trading on the regulated market of the Frankfurt Stock Exchange or of any such other stock exchange, the Issuer depends on the Frankfurt Stock Exchange's authorisation and the permissibility under the rules and regulations of Germany and/or the authorisation and permissibility of any such other further stock exchange (such as, without limitation, the Warsaw Stock Exchange), as the case may be, to continue issuing and listing, as applicable, Series of Bonds. Any change to the listing requirements, the regulation of the Bonds, or acceptance of certain Underlying Assets could adversely impact the Issuer, the value and liquidity of a Series of Bonds and investors in such Series of Bonds. If any authorisation risk materialises, this could have a material adverse effect on the Issuer`s business and financial situation.

2.1.4. Internal control and IT risks

2.1.4.1. Attacks by "hackers" and sabotage from outside the Issuer.

The whole business of the Issuer depends on certain information technology (IT) infrastructure. Additionally, service providers (e.g. the Administrator, the Paying Agent and the Clearing System) also rely on IT systems to provide services to the Issuer. Both the Issuer's IT systems and IT systems of such service providers may be hacked by criminals. The Issuer is exposed to the risk of being partially, temporarily or even permanently prevented from carrying out its business activities or it may become in breach of its covenants and even become insolvent, and any Bondholders may lose a part or all of their investment in a Series of Bonds due to such security breach.

2.1.4.2. Attacks by "hackers" and sabotage from within the Issuer.

The Issuer's business is focused on issuing Series of Bonds. The Issuer does not and will not own or produce any other assets. The IT infrastructure used by the Issuer is its only means to administer each Series of Bonds during their lifetime, which includes in particular the transfer of the Underlying Assets related to each Series of Bonds. Hacker attacks, sabotage or fraud carried out by the managing director or potential future employees of the Issuer or third parties may sabotage the IT systems, which may lead to the failure of hardware and/or software systems of the Issuer. This may also have a negative impact on the Issuer's business activities.

2.2. RISKS RELATING TO THE BONDS

An investment in a Series of Bonds involves certain risks associated with the characteristics, specification and type of the Bonds which could lead to substantial losses that Bondholders would have to bear in the case of selling their Bonds. Risks regarding a Series of Bonds comprise, *inter alia*, the following risks:

2.2.1. Risks related to the nature and the Terms and Conditions of a Series of Bonds

2.2.1.1. Bondholders are exposed to the risk of losses if a redemption in cash fails due to missing purchase orders or unavailability of the required reference price.

In case of redemptions in cash, the Issuer has to arrange for a procedure for the divestment of each of the Underlying Assets (referred to as "**Cryptocurrency Execution Procedure**" for Cryptocurrencies as Underlying Asset, "**Equity Execution Procedure**" for Shares as Underlying Assets, "**ETP Execution Procedure**" for ETPs as Underlying Asset and "**Index Execution Procedure**" for Indices as Underlying Assets and, collectively in relation to all types of Underlying Assets, the "**Asset Execution Procedure**") in order to redeem the Series of Bonds.

Pursuant to the Terms and Conditions, the Asset Execution Procedure shall be deemed unsuccessful, if for whatever reason including, without limitation, as a result of a disruption to the availability of the reference price of the Underlying Asset (the "**Reference Price**") the sale of the units of the Underlying Asset fails in its entirety (the "**Totally Failed Execution**") or partially for one, or more (but not all) of the Underlying Asset (the "**Partially Failed Execution**" and, together with the Totally Failed Execution, "**Failed Execution**").

In case of a Failed Execution, Bondholders face the risk that the Bonds cannot be redeemed in cash and Bondholders do not have any mechanism to monetise the Bonds except for selling the Bonds for fiat currency (e.g. EUR or USD) in the secondary market, if a liquid market exists.

In such case Bondholders could only sell the Underlying Assets through the Voluntary Redemption with physical delivery of the Underlying Asset ("**Physical Redemption**") and would have to rely on the respective exchanges or trading venues on which the Underlying Assets are available for trading or any over-the-counter market to exchange the respective Underlying Asset for fiat currency, thereby being exposed to the risk of incurring losses in case of unfavourable exchange rates.

Additionally, the Issuer reserves the right to charge certain exercise fees even in case of a Totally Failed Execution.

Due to the fees that may be incurred in this way, as well as due to unfavourable exchange rates on trading venues and over the counter markets, the Bondholder's investments could be adversely affected. In case of an illiquid secondary market, Bondholders might even be prevented from monetising their investment at all, which could ultimately result in a total loss.

2.2.1.2. Risk of changes of the Capital Adjustment Factor

The Asset Entitlement of the Bonds for each day is calculated, amongst other factors, by applying the current Capital Adjustment Factor, which is an amount determined by the Issuer on any day that represents positive or negative amounts of the Underlying Assets and/or cash received or transferred in connection with the utilization of the Underlying Assets ("**Transfer Amounts**"), fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day. As the Capital Adjustment Factor is based on various economic factors, the Capital Adjustment Factor will be determined by the Issuer on any day, meaning that the Capital Adjustment Factor in respect of a Series of Bonds may vary on any day without a requirement of the Issuer giving notice to the Bondholders. Potential investors should note that the Issuer is not required to consider the interests of the Bondholders in making any such variation. Any such variation in Capital Adjustment Factor or fees may negatively impact the return for Bondholders of the affected Bonds.

2.2.1.3. Risks related to DeFi Activities

The Terms and Conditions of a Series of Bonds may permit the Issuer to utilize the Underlying Assets to conduct activities conducted through or in connection with decentralised finance (DeFi) protocols or platforms that operate on distributed ledger technologies, including but not limited to: lending, borrowing, Staking, yield farming, liquidity provision, token swaps, asset wrapping, where such activities are not intermediated by a centralised entity, and are instead executed via smart contracts on public or permissionless blockchains ("**DeFi Activities**").

Unlike traditional financial services, DeFi Activities are typically executed via smart contracts without the involvement of regulated intermediaries. There is a risk that the smart contracts protocols (such as lending or yield farming protocols) may contain coding errors, vulnerabilities, or may be subject to malicious exploitation (e.g., hacking or "rug pulls "), which could result in the partial or total loss of the Underlying Assets. DeFi protocols generally operate without regulatory supervision. As a result, there may be limited or no recourse for the Issuer in the event of loss or misappropriation of assets. In addition, the legal status of certain DeFi Activities may be uncertain or subject to change, potentially impacting the value or recoverability of the Underlying Assets. In case that parts of or all of the Underlying Assets utilized for the respective DeFi Activity are lost, the Asset Entitlement would be adjusted through application of the Capital Adjustment Factor, ultimately resulting in a partial or total loss of a Bondholder's investment.

Additionally, DeFi Activities (in particular lending and yield farming), often involve the provision of liquidity to pools or protocols that may experience significant fluctuations in asset values or liquidity levels. Sudden withdrawals, market volatility, or protocol-specific events may result in the inability to withdraw assets or realize expected returns, and may expose the Issuer to "impermanent loss" or other adverse financial outcomes, which, in turn, may negatively impact the return for Bondholders of the affected Bonds.

As set out above, the operation of DeFi protocols relies on distributed ledger technology, which may be subject to network congestion, software bugs, or other technical failures. These risks may impair the Issuer's ability to access, transfer, or otherwise utilize the Underlying Assets, potentially resulting in delays or losses (including total loss). In case that parts of or all of the Underlying Assets utilized for the respective DeFi Activity are lost, the Asset Entitlement would be adjusted through application of the Capital Adjustment Factor, ultimately resulting in a partial or total loss of a Bondholder's investment.

2.2.1.4. Risk of magnified losses due to Leveraged Exposure

A Series of Bonds may provide for a leveraged long or short inversed leveraged exposure to the Underlying Assets ("**Leveraged Exposure**"). Bonds with Leveraged Exposure seek to achieve a return which is a multiple of the daily performance of the Underlying Assets. Due to the Leveraged Exposure, such Bonds will magnify losses in market environments adverse to the direction of their exposure (long/short) compared to unleveraged Bonds. Losses will be magnified as the amount of leverage increases. This may have a negative impact on the value of such Bonds and, thus, the value and return of Bondholders when compared to unleveraged investments in the Underlying Asset and could even result in a total loss of the invested capital.

2.2.1.5. Risks due to the daily application of Leverage Factor and long term effects of the Leverage Factor

The magnitude of the Leveraged Exposure depends on the leverage factor applied to such Bonds ("**Leverage Factor**"). The Leverage Factor is applied constantly on a daily basis, so that such Bonds will only match the leveraged daily percentage change in value of the Underlying Assets on an intra-day basis (excluding other factors such as fees). This means that the performance of such Bonds and the corresponding return for Bondholders is the result of the performance of the Underlying Assets for each day compounded over all the days in the investment period of the respective Bondholder. The performance of Bonds with Leveraged Exposure will therefore not match the leveraged performance of the Underlying Assets over a longer period of time. Accordingly, such Bonds may provide for a lower

or higher return for Bondholders compared to an investing in the Underlying Assets on a leveraged basis.

These differences may arise both in the case of steadily rising or falling prices and in the case of fluctuating prices of the Underlying Assets, and result in the performance of the Bonds remaining substantially below the performance of the Underlying Assets over the same period. In particular, such Bonds could also decline in value even if, at the end of the period, the Underlying Assets were to return to their original level at the start of the investment period.

If the value of the respective Underlying Assets moves significantly contrary to the targeted direction of the Bonds, the value of the Bonds will also fall significantly to a very low value, and even any subsequent movements of the value of the Underlying Assets in the targeted direction of the Bonds will have only a minor impact on the recovery in value of the Bonds due to the constant leverage effect. This may have a negative impact on the value of such Bonds and, thus, the value and return of Bondholders and could even result in a total loss of the invested capital.

2.2.1.6. Risks related to a Hedging Loss

A Series of Bonds may be denominated in a currency (the "**Bond Currency**") different from the currency in which the Reference Prices of the Underlying Assets are quoted (the "**Reference Price Currency**"). If so specified in the relevant Final Terms, specific Series of Bonds will include a currency hedging component through which Issuer aims to hedge the currency exposure between the Bond Currency and the Reference Price Currency ("**FX Hedging**"). Such FX Hedging typically involves the notional forward sale of the Reference Price Currency and purchase of the Bond Currency and is designed to reduce the exposure of the Reference Price (and, therefore, the Bonds) to exchange rate fluctuations between such currencies.

In cases where the Bond Currency is generally weakening against the Reference Price Currency, the downside in the performance of the Bond Currency as compared to the Reference Price Currency will be realised by a sale of the relevant units of the Underlying Asset, leading to a decrease in the Asset Entitlement (a "**Hedging Loss**"). Accordingly, Bondholders are subject to the risk that the value of their investment decreases due to a weakening of the Bond Currency against the Reference Price Currency and a Hedging Loss resulting therefrom, even if the value of the Underlying Asset, denominated in the Reference Price Currency, remains unchanged.

However, there may be a cost for entering into such FX Hedging and such FX Hedging may not fully eliminate exchange rate risks or fluctuations and, depending on movements in exchange rates, such FX Hedging might have a negative impact on the value of the relevant Bonds.

2.2.1.7. Concentration risk relating to the FX Hedging transactions

In relation to the FX Hedging transactions, the Issuer may agree terms with only one FX Counterparty. This presents a concentration risk, which increases the significance of a FX Counterparty's default and the associated risks. Additionally, the pricing of the agreements relating to the FX Hedging transactions may not reflect the fair market value in this case, which may have a negative impact on the value of such Bonds and, thus, the value and return of Bondholders.

2.2.1.8. Risk relating to the Issuer's ability to enter into agreements relating to FX Hedging transactions

In case of a termination of an agreement relating to the FX Hedging transactions, the Issuer may be unable to enter into similar agreements with any replacement FX Counterparty. In such case, the Issuer may postpone or suspend the issuance of the Bonds and may mandatorily redeem the Bonds in accordance with Condition 7 of the General Terms and Conditions. This may negatively affect the value of the Bonds and, thus, the Bondholders investment.

2.2.1.9. Risks relating to covered call strategies in certain market environments

A Series of Bonds may provide for a covered call feature, allowing the Issuer to enter into transactions in order to engage in covered call option writing strategies, in connection with which the Issuer may

provide the Deposited Underlying Assets as collateral for "out-of-the-money" covered call options linked to the Underlying Asset (the "**Covered Call**").

Covered Call strategies do not eliminate the market risk of the respective Underlying Assets and are not appropriate for all market environments.

In a rapidly upward-trending market or in an extremely volatile market, a Covered Call strategy can underperform a long-only investment in the Underlying Asset, because it will fail to capture all of the potential upside and can miss out on significant gains. Especially in cases where the price of the respective Underlying Asset ends up above the agreed fixed price for the sale of the units of the Underlying Asset to the respective counterparty (the "**Strike Price**") on the respective agreed date (the "**Expiration Date**"), the return for Bondholders is capped at a price equivalent to the Strike Price plus the premium received by the Issuer, which will be realised by a sale of the relevant units of the Underlying Assets at the Strike Price and repurchased at their current market price. Due to the respective current market price for the repurchase being greater than the Strike Price at which the units of the relevant Underlying Asset were sold, the Issuer will only be able to repurchase a smaller amount of units of the Underlying Asset with the proceeds of the sale. This will result in a negative Transfer Amount, so that the Asset Entitlement will decrease following application of the Capital Adjustment Factor.

In such cases, the Covered Call strategy might have a negative impact on the value of the relevant Bonds and the return of the Bondholders may be less compared to a direct investment in the Underlying Asset.

2.2.1.10. Risks related to redemptions upon the request of Bondholders

Bondholders may require the Issuer to redeem all or parts of their Bonds in the form of physical delivery of the Underlying Asset or by way of cash settlement (the "**Voluntary Redemption**").

The Issuer may fail (i) to make payments in-kind, at all or in a timely manner, due to operational deficiencies at the Depositary, the Administrator or the Issuer as well as failure in the relevant Cryptocurrency network to verify payments (in case of a Cryptocurrency as Underlying Asset), or (ii) to sell the Underlying Asset and to transfer the funds of such sale. In addition, there is a risk that investors may not be able to exercise their option for Voluntary Redemption if they do not provide sufficient information to the Issuer in accordance with the Terms and Conditions.

Furthermore, if a Bondholder exercises its right for Voluntary Redemption due to a specific value of the Underlying Asset and there is a delay in the redemption process, there is a risk that the value of the Underlying Asset can fluctuate/decrease in that time period.

In addition, in case of a Cryptocurrency as Underlying Asset, if the transmission network fees for the underlying Cryptocurrency are higher than an investor has specified as the level it is prepared to pay, the redemption could take longer to process, during which the value of the underlying Cryptocurrency may have fluctuated/decreased.

Additionally, if a Bondholder exercises its right for Voluntary Redemption and opts for cash settlement, obligations of the Issuer to remit cash to such Bondholder after the surrender of the relevant Bonds to the Issuer constitute unsecured obligations of the Issuer. Only settlement obligations related to the Voluntary Redemption with physical settlement (the "**Secured Redemption Obligations**") constitute secured obligations of the Issuer (for the avoidance of doubt, in each case subject to the relevant Capital Adjustment Factor). Claims of a Bondholder for payments in cash, due to the Voluntary Redemption with cash settlement will only be settled after the relevant Bondholder has delivered its Bonds to the Issuer and during the period from delivery of the Bonds until actual payment of cash, the relevant Bondholder will no longer be the owner of the Bonds, nor have a secured claim against the Issuer. Accordingly, the Bondholder might receive payments later than anticipated or, given the claims are no longer secured, may not receive payments at all.

2.2.1.11. The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption

The Issuer may at any time, in its sole and absolute discretion, elect to terminate and redeem all but not some of the Bonds at their Asset Entitlement in case of (i) any event making the continued issuance of Bonds and/or maintaining Outstanding Bonds economically or practically not viable or (ii) upon the occurrence of certain events expressly specified in the Terms and Conditions, as the case may be (the "**Mandatory Redemption**"). In exercising such discretion, the Issuer is not required to have any regard to the interests of the Bondholders, and Bondholders may receive less, or substantially less, than their initial investment. The Issuer has to make an advance notice of the Mandatory Redemption, but there is a risk that the Issuer will fail to make such notice, or it will not be received by all Bondholders, which can result in some or all Bondholders failing to sell the Bonds or exercise their right for Voluntary Redemption prior to the Mandatory Redemption. In case of a Mandatory Redemption, the Bonds will be redeemed in cash at the Mandatory Redemption Price. The Mandatory Redemption Price of the Bonds redeemed in cash can be less or substantially less than the equivalent price of the Underlying Asset, as the Issuer will try to sell the Underlying Asset using the Asset Execution Procedure, and all risks related to the relevant procedure apply.

Accordingly, if any Bonds are redeemed early, Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption. Furthermore, the Mandatory Redemption might result in the effective disposal of the Bonds for tax purposes by some or all Bondholders on a date earlier than planned or anticipated, which can result in less beneficial tax treatment of an investment in the Bonds for such Bondholders than otherwise would be available should the investment be maintained for a longer period of time.

2.2.1.12. Fees and deductions related to the redemption of the Bonds

The Issuer may charge a fee reflecting costs, expenses and other fees actually incurred in connection with a sale or transfer of the Underlying Assets in connection with the redemption of the Bonds (the "**Redemption Deductions**"). These Redemption Deductions can lead to a lower than expected yield for the Bonds. In addition to the Redemption Deductions, a Voluntary Redemption triggers an exercise fee specified in relation to each Series of Bonds as an amount up to a maximum percentage of the Asset Entitlement for each Bond in relation to which the Voluntary Redemption is exercised (depending on whether the Voluntary Redemption is exercised by an Authorised Participant or a Bondholder other than an Authorised Participant) (the "**Exercise Fee**"). The Exercise Fee will be deducted from the Asset Entitlement or, in the case of cash settlement, from the proceeds of the sale of the Underlying Asset and accordingly the redemption amount per Bond received will be less than the actual Asset Entitlement or, in the case of cash settlement, the proceeds of the sale of the Underlying Asset.

2.2.1.13. Risk in connection with a redemption following the occurrence of Events of Default

The Issuer is required to comply with the Terms and Conditions. Events beyond the Issuer's control, including changes in the economic and business conditions in which it operates, may affect the Issuer's ability to comply with the undertakings set out in the Terms and Conditions. Further, there is a risk that a breach of the Terms and Conditions will result in certain events of default, entitling Bondholders to declare all but not some of its Bonds due and payable, which could cause a material adverse effect on the Issuer's financial position.

In accordance with Condition 14 of the General Terms and Conditions, upon the occurrence of certain events including (i) failure of the Issuer to pay out the Asset Entitlement or any other amount in respect of the Bonds, (ii) failure of the Issuer to duly perform any other obligation arising from the Bonds, (iii) the Issuer's inability to pay its debts as they fall due, (iv) insolvency proceedings against the Issuer and (v) the Issuer entering into liquidation (each such event, an "**Event of Default**"), each Bondholder may be entitled to declare due and payable its entire claims arising from the Bonds and demand immediate payment of the Asset Entitlement (but without any fees payable by the Bondholder which would otherwise be required by the Terms and Conditions). If such claims are declared due and payable, the Issuer must then distribute the Asset Entitlement in accordance with the Terms and Conditions. The value of the Underlying Assets can fluctuate during the time when such distribution of the Asset

Entitlement is being processed to be executed. In order for the distribution to be made, Bondholders need to have their own custodial account (in case of Shares, ETPs or Indices as Underlying Asset) or digital cryptocurrency wallet or wallets (in case of Cryptocurrencies as Underlying Asset) (the "**Bondholder Custody Account**") and report such Bondholder Custody Account to the Issuer and a failure of doing so will result in the respective Bondholder not receiving the Asset Entitlement. Additionally, the Issuer may receive more redemption requests in an Event of Default than it can operationally process. This may result in delays for the Bondholders receiving their Asset Entitlement.

2.2.1.14. Investing in the Bonds does not correspond to a direct investment in the Underlying Asset

Investors should be aware that the market value of the Bonds does not exclusively depend on the prevailing price of the Underlying Asset and changes in the prevailing price of the Underlying Asset may not necessarily result in a comparable change in the market value of the Bonds. The performance of the Bonds may differ significantly from direct holdings of the Underlying Asset as a result of negative effects of fees and charges (see 2.2.1.25. "*The Bonds are subject to transaction costs and charges*", including, but not limited to the Exercise Fee upon redemption), in addition to the possible negative effects of the application of the Capital Adjustment Factor in case of negative Transfer Amounts (see 2.2.1.2 "*Risk of Changes of the Capital Adjustment Factor*"). The return on the Bonds may not reflect the return if the investor had actually owned the Underlying Asset and held such investment for a similar period.

2.2.1.15. Risk relating to the absence of active management of the Bonds

The Bonds cannot be considered as an actively managed investment and may be affected by a general decline in the value of the Underlying Asset. Neither the Issuer nor any other party will actively manage the Underlying Assets or the Bonds (except for the use of the Underlying Assets for FX-Hedging or the use of an underlying Cryptocurrency for purposes of staking, lending and DeFi Activities, if applicable). As a result (and, for the avoidance of doubt, even in cases where the Underlying Assets are used for FX-Hedging, staking, lending and Defi Activities), the Issuer will not take any action to attempt to reduce the risk of loss resulting from price decreases. As a result, Bondholders bear the risk of a loss of a part or all of their investment.

2.2.1.16. Changes in regulation of the Underlying Assets

The Bonds are linked to the Underlying Assets. A potential investor has, therefore, to consider that the regulation of the respective Underlying Asset may be subject to change. Therefore, it cannot be ruled out that the regulatory treatment of the Underlying Assets, in particular in case of underlying Cryptocurrencies, by national authorities and courts or international standard setting bodies could be subject to changes in the future. As a result of such changes, the purchase and/or direct or indirect investment in the Underlying Asset, including with respect to the Bonds may be prohibited or otherwise restricted. Furthermore, if an investment in the Underlying Asset is prohibited, Bondholders may not redeem and receive the Underlying Asset pursuant to the Terms and Conditions.

Moreover, changes in the regulation of the Underlying Asset, including with respect to the Bonds, may adversely impact the Issuer, the value of the Bonds and the value of the Security. As a result, Bondholders bear the risk of a loss of a part or all of their investment.

2.2.1.17. Bondholders may be responsible for choosing an appropriate Bondholder Custody Account

If any Bonds are terminated either by the Issuer or the Bondholder pursuant to the Terms and Conditions and the Bondholder is entitled to receive payments in the Underlying Asset, the Underlying Asset must be transferred to the respective Bondholder Custody Account. If this transfer occurs to an inadequate or inappropriate Bondholder Custody Account, the Bondholder will not be able to access and dispose of the Underlying Assets. For the Bondholder, this means a total loss of its investment. The decision on choosing the correct compatible Bondholder Custody Account lies solely with the Bondholder.

Bondholders who do not provide the information regarding their Bondholder Custody Account to the Issuer during the mandatory redemption process in a timely manner, will have their Bonds redeemed in

cash, and all risks related to the Asset Execution Procedure and Mandatory Redemption as it applies to redemptions in cash may materialise.

2.2.1.18. Risks relating to an increase and/or decrease in issuance and market supply of the Bonds

While the Issuer has the right to issue additional Bonds that are fungible with an already issued Series of Bonds, the Issuer is under no obligation to issue additional Bonds in relation to the Series of Bonds already issued. Even if the Issuer decides to issue additional Bonds in relation to a Series of Bonds already issued, given that, in the primary market, the Issuer only sells Bonds to Authorised Participants, there is no guarantee that Authorised Participants subscribing to the newly issued Bonds of a Series of Bonds will make them available in the secondary market. This may create reduced liquidity and increased price volatility in the existing Series of Bonds. On the one hand, if the Issuer does not issue additional Bonds in relation to a Series of Bonds already issued, or Authorised Participants do not sell those additional Bonds in the secondary market, this could increase the price of the Bonds compared to the Underlying Assets. On the other hand, when the Issuer starts issuing additional Bonds (and/or Authorised Participants start selling such Bonds in the secondary market) at a moment when the Bonds are trading at a premium compared to the Underlying Assets, this could result in a reduction of the premium compared to the Underlying Assets and thus in a decrease in the price of the Bonds.

2.2.1.19. No recourse and no guarantee

Pursuant to the Terms and Conditions, the Bonds will be obligations solely of the Issuer. In particular, the Bonds will not be obligations of, or guaranteed by the Paying Agent, the Fiscal Agent, the Depositary, the Security Trustee, the Administrator, the Staking Provider, the Investment Manager, the FX Counterparty, the Execution Agent, the Determination Agent, the Fiat Execution Agent, the NAV Calculation Agent or the Authorised Participants or any other partner or affiliate of the Issuer or any direct or indirect holder of the Issuer.

No person has guaranteed the performance of the Issuer's obligations, and no Bondholder has any direct rights of enforcement against any such person. As a result, Bondholders bear the risk of a loss of part or all of their investment in a Series of Bonds.

2.2.1.20. Risks in connection with insufficient hedging of the investment in the Bonds by Bondholders

The ability to eliminate or to restrict the initial risks of a Series of Bonds arising from their purchase by, for example, concluding any hedging transactions during their lifetime, depends mainly on the market conditions and the economic terms of such Series of Bonds. As a consequence, such transactions may be concluded at unfavourable market prices (or not at all), which may result in corresponding losses. Investors should, therefore, not rely on the ability to conclude transactions at any time during the term of such Series of Bonds that will allow them to offset or limit relevant risks.

2.2.1.21. The Terms and Conditions of a particular Series of Bonds can be modified by the Issuer

The Issuer may, in its reasonable discretion and taking into consideration the interests of the Bondholders and the relevant capital market practice, make modifications to the Terms and Conditions of a particular Series of Bonds, if such modification is formal, minor or technical nature or is made to correct a manifest error. The Issuer also has the right to make further modifications subject to such amendment not being materially prejudicial to the interests of the Bondholders. Any such modification could be contrary to the interests of any or all Bondholders and could adversely affect the value of the Bonds.

2.2.1.22. The Terms and Conditions of a particular Series of Bonds can be amended by a Bondholders' resolution and any such resolution will be binding for all Bondholders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Bonds outstanding

The Terms and Conditions of a particular Series of Bonds, including the terms of payment of principal, can be amended (with the consent of the Issuer) by a Bondholders' resolution and any such resolution will be binding for all Bondholders of such Series of Bonds. Any such resolution may effectively be passed with the consent of less than a majority of Bondholders holding the aggregate principal amount of the Bonds of such Series of Bonds outstanding.

According to the Terms and Conditions and the German Act on Issues of Debt Securities of 2009 (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* - SchVG; "*German Act on Issues of Debt Securities*" or the "**SchVG**"), Bondholders of a particular Series of Bonds can, by resolution, consent to amendments of the Terms and Conditions of such Series of Bonds. Accordingly, although no obligation to make any payment or render any other performance may be imposed on any Bondholder, the Bondholders may, by resolution, materially change the substance of the Terms and Conditions of a particular Series of Bonds, in particular in the case of Section 5 paragraph 3 numbers 1 through 9 of the SchVG. Under the SchVG and the Terms and Conditions of a particular Series of Bonds, such amendments require a resolution of Bondholders holding in the aggregate at least 75 percent of the votes cast in respect of the Series of Bonds. Subject to contestation in court, any such resolution will be binding on all Bondholders of such Series of Bonds.

The voting process under the Terms and Conditions will be governed in accordance with the SchVG, pursuant to which the required participation of Bondholder votes (quorum) is principally set at 50 percent of the aggregate principal amount of the outstanding Series of Bonds at the time of the first Bondholders' meeting or a vote without meeting. If the quorum is not met for the first voting process, there is no minimum quorum for the second voting process in relation to the same resolution (unless the resolution to be passed requires a qualified majority, in which case Bondholders representing at least 25 percent of the outstanding Series of Bonds by principal amount must participate in the meeting). As the relevant majority for Bondholders' resolutions is generally based on votes cast, rather than on principal amount of Bonds outstanding, the aggregate principal amount of Bonds of a Series of Bonds required to vote in favour of an amendment will vary based on the Bondholders' votes participating.

The specific risk is that Bondholders of a particular Series of Bonds are being outvoted and losing rights towards the Issuer against its will in the event that Bondholders holding a sufficient aggregate principal amount of the Bonds participate in the vote and agree to amend the Terms and Conditions of a particular Series of Bonds by majority vote in accordance with the Terms and Conditions and the SchVG which, in turn, may result in a Bondholder's loss of the investment in the Bonds.

2.2.1.23. Since no Bondholders' Representative will be appointed on the issue date of a Series of Bonds, it will be more difficult for Bondholders to take collective action with respect to such Series of Bonds

Under the SchVG, a joint representative (*gemeinsamer Vertreter*) of the Bondholders (the "**Bondholders' Representative**") may be appointed on the basis of the terms and conditions of debt securities. The Bondholders' Representative is not a trustee and its functions differ in material respects from those of a trustee appointed under the U.S. Trust Indenture Act of 1939 or similar legislation. No initial Bondholders' Representative will be appointed under the Terms and Conditions. Any appointment of a Bondholders' Representative for the Bonds of a particular Series of Bonds post issuance of such Series of Bonds will, therefore, require a majority resolution of the Bondholders of such Series of Bonds.

The specific risk is that if the appointment of a Bondholders' Representative is delayed, this will make it more difficult or even impossible for Bondholders of a Series of Bonds to take collective action to enforce their rights under the Bonds.

2.2.1.24. It is possible that a Bondholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed to a Bondholders' Representative

If a Bondholders' Representative will be appointed by majority decision of the Bondholders of a Series of Bonds it is possible that a Bondholder may be deprived of its individual right to pursue and enforce its rights under the Bonds against the Issuer, if such right was passed to the Bondholders' Representative

by majority vote who is then exclusively responsible to claim and enforce the rights of all the Bondholders.

The specific risk is that Bondholders of such Series of Bonds may not be able to enforce their rights under the Bonds individually but with consent and depending on the action of a Bondholders' Representative only which, in turn, may result in a Bondholder's loss of the investment in the Bonds.

2.2.1.25. The Bonds are subject to transaction costs and charges

When Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Bonds. These incidental costs may significantly reduce or eliminate any profit from holding the Bonds. Credit institutions as a rule charge commissions which are either fixed minimum commissions or *pro rata* commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Bondholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees).

The specific risk is that such additional costs may lower the yield of the investment substantially. Therefore, potential investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

2.2.1.26. No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Base Prospectus

The Terms and Conditions are based on the laws of Germany in effect as at the date of this Base Prospectus. Certain agreements which the Issuer entered into in connection with the Bonds are subject to the laws of jurisdictions other than German law ("**Foreign Law Jurisdictions**"). No assurance can be given as to the impact of any possible judicial decision or change to the laws of Germany or the laws of a Foreign Law Jurisdiction or administrative practice or the official application or interpretation of German law or the laws of a Foreign Law Jurisdiction after the date of this Base Prospectus.

The specific risk is that Bondholders may face detrimental changes in German law which negatively impact their rights under the Bonds. This could even lead to situations where Bondholders are not allowed to enforce their rights under the Bonds which in turn may result in a Bondholder's loss of the investment in the Bonds.

2.2.1.27. Risks in relation to suspensions of redemptions

Upon the occurrence of certain events causing a disruption with regards to certain events specified in the Terms and Conditions, including, but not limited to, trading disruptions, service provider disruptions, disruptions relating to the secured accounts, certain adjustment events, disruptions with regards to calculations as well as in cases where the principal amount of the respective Series of Bonds is less than a previously specified level (each, a "**Disruption Event**") the Issuer may at any time and from time to time while such Disruption Event(s) are continuing suspend the right to, or timings of (i) making redemption requests, (ii) performing the settlement of any redemptions or (iii) any redemption, settlement or payment dates in connection therewith. During the period of such suspensions, the Bonds and the Underlying Assets may decrease in value and Bondholders that were prevented from requesting a redemption may lose all or some of their investment as a result. During the period that settlement of redemptions is suspended, the Bonds may fall in value so that the return of the Bonds received is lower (or considerably lower) (or has a lower or considerably lower cash value) than would have been the case if the Disruption Event had not occurred.

2.2.1.28. Risks in relation to Adjustment Events

Upon the occurrence of certain events in relation to, *inter alia*, (i) the Underlying Asset affecting the Underlying Asset and/or the Asset Entitlement or (ii) the trading and settlement of the Underlying Asset or (iii) disruptions concerning service providers for the relevant Series of Bonds or (iv) calculations made by the Issuer in relation to the Asset Entitlement, causing the necessity for adjustments to the

Underlying Asset and/or the Asset Entitlement (each, an "**Adjustment Event**"), the Issuer shall, if deemed appropriate in its opinion (i) make an adjustment of the Asset Entitlement to account for the economic effect on the Bonds of such events, (ii) suspend scheduled rebalances of the Index, (iii) replace the relevant underlying Index with a similar new Index, (iv) conduct an unscheduled rebalancing of the Deposited Underlying Assets or (v) add the affected Cryptocurrency to the list of Unsupported Cryptocurrency and conduct a rebalancing of the Deposited Underlying Assets. Any such adjustments could deviate from Bondholders' expectations and the future development and return on the Bonds may not reflect the expectations of Bondholders. Depending on the specific action taken by the Issuer in response to an Adjustment Event, the value of the Asset Entitlements and the Bonds may develop differently and the return for Bondholders may be lower (or considerably lower) than would have been the case if the Adjustment Event had not occurred.

2.2.2. Risks related to the Security of the Bonds

2.2.2.1. Security granted to secure a Series of Bonds may be unenforceable or enforcement of the Security may be delayed

Subject to certain carve-outs, the Issuer has undertaken to have an amount in the Underlying Assets equal to or higher than the Secured Obligations Amount (i.e. the sum of Outstanding Amount, Secured Redemption Obligations Amount and Secured Settlement Obligations Amount). Such carve-outs include, but are not limited to, (i) delays associated with payment of the staking rewards as well as profits or benefits resulting from DeFi Activities, (ii) temporary shortfall reasonably required due to the execution of any of the eligible rebalance procedures, (iii) adjustments following the occurrence of a collateral shortfall event (all as defined below and as further described below under 13.3.1 "*Security over Secured Custody Account*"), (iv) total or partial forfeit or reductions due to actions or inactions of the Staking Provider or other associated parties in accordance with the protocol of the Cryptocurrency and (v) with respect to Bonds with a FX Hedging feature, temporary or permanent shortfall due to any delay or failure by the relevant FX Counterparty to deliver the required amount of the relevant Underlying Asset corresponding to the Transfer Amount or due to the entry of hedging transactions by the Issuer in an insufficient manner always deposited with the Depositary, and has created a security interest with respect to the rights and claims arising in connection with the Secured Custody Account in favour of the Bondholders as Security for the Issuer's debt to the Bondholders. These security arrangements may not be sufficient to protect the Bondholders in the event of the Issuer's or the Depositary's bankruptcy or liquidation due to various reasons. There is a legal risk that the security interest in respect of the Underlying Assets is not enforceable and there could be uncertainties on how to enforce such Security or changes in legislation. In addition, the enforcement of the Security may be delayed or even impossible, as further set out in the risk factor 2.2.2.4. "*Realisation of Security and role of the Security Trustee*" below.

Moreover, investors should note that some of the security interests are not governed by German law, but by foreign laws, i.e. depending on the entity acting as Depositary, the relevant Secured Property Agreement to be entered into in connection with an individual issuance might be governed by the laws of the State of New York, in case BitGo Trust Company, Inc. or Coinbase Custody Trust Company, LLC function as depositary. This may make the enforcement of the security interests more costly and time consuming. Further, it should be noted that the Security Trustee will only be responsible to any of the Bondholders for any failure in perfecting or protecting the Security unless directly caused by its gross negligence or wilful misconduct.

2.2.2.2. Risks relating to the Issuer's exposure to the credit risk of the Depositary

The Issuer will be exposed to the credit risk of depositary institutions with whom it holds the Underlying Assets. Credit risk, in this case, is the risk that the Depositary holding the Underlying Assets will fail to fulfil an obligation or commitment to the Issuer. The Underlying Assets are maintained by the Depositary in segregated accounts, which are intended to be protected in the event of insolvency of the Depositary. However, any insolvency of the Depositary may result in delayed access to the Underlying Assets provided as a Security. In such a situation, Bondholders may face a loss due to asset price fluctuation.

2.2.2.3. Fraud risk arising from third parties

The Issuer is interacting with a number of third parties, including, but not limited to, the Depositary, the Security Trustee, Authorised Participants, the Administrator, the Paying Agent, the Fiscal Agent, the Staking Provider, the Investment Manager, the FX Counterparty, the Execution Agent, the Determination Agent and exchanges. The Issuer is also relying on its own staff for its operations. As a result, the Issuer is exposed to the risk of misconduct, negligence or fraud by these third parties and its employees. This could result in serious reputational or financial harm or damage to the assets of the Issuer in respect of which the Issuer has granted a Security for the Bonds and also result in losses for the investors in the Bonds. It is not always possible to deter misconduct and the internal control systems set up by the Issuer or the relevant third parties may not always be effective. Also, these risks may not be fully covered by insurance.

2.2.2.4. Realisation of Security and role of the Security Trustee

The Security Trustee may take any action permitted by the Terms and Conditions and the relevant Security Documents in an enforcement scenario without having regard to the effect of such action on individual Bondholders. Fees, costs and expenses for the Security Trustee will need to be paid in advance. All fees, costs and expenses related to the enforcement will be the sole responsibility of, and will be deducted from any payments made to, the relevant investors.

The Security Trustee shall have no responsibility whatsoever to any other party or to any investor in the Bonds of a particular Series of Bonds as regards any deficiency which might arise because the Security Trustee is subject to any tax in respect of the Collateral or any part thereof or any income therefrom or any proceeds thereof.

The Security Trustee will only act upon instruction of the Bondholder's Representative in relation to a particular Series of Bonds. No initial Bondholders' Representative will be appointed under the Terms and Conditions. Any appointment of a Bondholders' Representative for the Bonds of a particular Series of Bonds after the issuance of such Bonds will, therefore, require a majority resolution of the Bondholders of such Series of Bonds. The specific risk is that no Bondholders' Representative will be appointed because a majority resolution by such Bondholders has not been passed or that the Bondholders' Representative might not instruct the Security Trustee in the interest of all individual Bondholders of such Series of Bonds. In such an event it may be difficult or even impossible for such Bondholders to take collective action and to enforce the Security.

2.2.3. Risks related to the Bonds depending on the Underlying Asset

Depending on the Underlying Asset of the respective Series of Bonds, an investment in a Series of Bonds involves certain risks associated with the characteristics and features of the respective Underlying Asset.

2.2.3.1. Risks specific to Cryptocurrencies as Underlying Assets

2.2.3.1.1. Price volatility of the underlying Cryptocurrency

The value of the Bonds is affected by the price of the underlying Cryptocurrency – which fluctuates widely and is influenced by a number of factors. The amount received by Bondholders (i) upon redemption of the Bonds in cash, or (ii) upon sale on the stock exchange depends on the performance of the underlying Cryptocurrency.

Prices of Cryptocurrency fluctuate widely and, for example, may be impacted by the following factors:

- *Global or regional political, economic or financial events* – global or regional political, economic and financial events may have a direct or indirect effect on the price of Cryptocurrency.

- *Regulatory events or statements by the regulators* – there is lack of consensus regarding the regulation of cryptocurrencies and uncertainty regarding their legal and tax status and regulations of cryptocurrencies continue to evolve across different jurisdictions worldwide. Any change in regulation in any particular jurisdiction may impact the supply and demand in

that specific jurisdiction and other jurisdictions due to the global network of exchanges for cryptocurrencies, as well as composite prices used to calculate the underlying value of such cryptocurrencies (if any), as the data sources span multiple jurisdictions. See also 2.2.3.1.2. "*Political risk in the market for the underlying Cryptocurrency*".

- *Investment trading, hedging or other activities by a wide range of market participants which may impact the pricing, supply and demand for crypto assets* – markets for crypto assets are local, national and international and include a broadening range of products and participants. Significant trading may occur on any system and platform, or in any region, with subsequent impacts on other systems, platforms and regions.

- *Forks in underlying protocols* – The underlying Cryptocurrency are each open source projects. As a result, any individual can propose refinements or improvements to a network's source code through one or more software upgrades that could alter the protocols governing the network and the properties of each underlying Cryptocurrency. When a modification is proposed and a majority of users and miners consent to the modification, the change is implemented and the network remains uninterrupted. However, if less than a majority of the users and miners consent to the proposed modification, the consequence could become what is known as a "fork" (i.e. a "split") of the network (and the blockchain), with one part running the pre-modified software and the other running modified software. The effect of such a fork would be the existence of two versions of the network running in parallel, and the creation of a new digital assets which lacks interchangeability with its predecessor. Additionally, a fork could be introduced by an unintentional, unanticipated software flaw in multiple versions of otherwise compatible software users run. The circumstances of each fork are unique, and their relative significance varies. It is not possible to predict with accuracy the impact that any anticipated fork could have in terms of pricing, valuation and market disruption. Newly-forked assets in particular may have less liquidity than more established assets, resulting in greater risk. See also 2.2.3.1.5. " *Split of a blockchain could result in a split of the Bonds into separate Series of Bonds, and exchanges of the underlying Cryptocurrency*".

- *Disruptions to the infrastructures or means by which each of the underlying Cryptocurrency are produced, distributed and stored, are capable of causing substantial price movements in a short period of time* – Cryptocurrency infrastructure operators or 'miners' who use computers to solve mathematical problems to verify transactions are rewarded for these efforts by increased supply of such cryptocurrency. The computers that make up the infrastructure supporting each of the underlying Cryptocurrency are decentralised and belong to a combination of individuals and large corporations. Should a significant subset of the pool of each of the underlying Cryptocurrency choose to discontinue operations, pricing, liquidity and the ability to transact in each of such Cryptocurrency could be limited. As each of the underlying Cryptocurrency is designed to have a finite supply pool of units of each of the underlying Cryptocurrency, this finite supply pool will eventually be fully mined (meaning the creation of new cryptocurrency units through a predetermined mathematical process within a computer network) at some point in the future. This makes mining unsustainable since block rewards would no longer be available to miners, thereby leading to a reduction in the number of miners. This may trigger the collapse of the network as no miners would want to validate blocks without any economic incentive. Also, as block rewards decrease at a rate that was built into the network at its inception (as a consequence of the finite supply pool), the economic incentives for miners of each of the underlying Cryptocurrency may not be sufficient to match their costs of validating blocks, potentially leading to miners transitioning to other networks, in turn slowing transaction validation and usage. This can adversely impact the price of each of the underlying Cryptocurrency. Other critical infrastructure which may be adversely affected includes storage solutions, exchanges and custodians for each of the underlying Cryptocurrency. For example, the potential for instability of cryptocurrency exchanges and the closure or temporary shutdown of exchanges due to business failure or malware could impact the liquidity of, demand for, and supply of the underlying Cryptocurrency (and other crypto assets). In addition, volatility in the pricing of the underlying Cryptocurrency leads to increased opportunities for speculation and arbitrage, which, in turn, contributes to price fluctuations.

- *Execution risk* – It may be impossible to execute trades in the underlying Cryptocurrency at the quoted price. Any discrepancies between the quoted price and the execution price may be a result of the availability of assets, any relevant spreads or fees at the exchange or discrepancies in the pricing across exchanges. See also in 2.2.1.25. "*The Bonds are subject to transaction costs and charges*".

2.2.3.1.2. Political risk in the market for the underlying Cryptocurrency

The legal status of the underlying Cryptocurrency varies between different countries. The lack of consensus concerning the regulation of the underlying Cryptocurrency and how the underlying Cryptocurrency shall be handled tax wise causes insecurity regarding the legal status of the underlying Cryptocurrency. As the underlying Cryptocurrency are unregulated assets in many jurisdictions, there is a risk that politics and future regulations will affect the markets for the underlying Cryptocurrency and companies operating in such markets. It is impossible to know or predict exactly how politics and future regulations may affect the markets. However, future regulations and changes in the legal status of the underlying Cryptocurrency are political risks which may affect the price of the underlying Cryptocurrency. If the Issuer fails to comply with potential future regulations, this may lead to the Issuer incurring losses and it may also have an adverse impact on the Issuer's ability to carry out its business.

2.2.3.1.3. Risk relating to the valuation of the underlying Cryptocurrency due to their lack of relation to underlying assets

The market value of the underlying Cryptocurrency is not related to any specific company, government or asset. The valuation of these assets depends on future expectations for the value of the network, number of transactions and the overall usage of the asset. See also 2.2.3.1.1. "*Price volatility of the underlying Cryptocurrency*". This means that a significant amount of the value in the underlying Cryptocurrency is speculative and could lead to increased volatility. Investors could experience significant gains, losses and/or volatility depending on the valuation of the underlying Cryptocurrency through the exposure to Bonds. Due to the speculative nature of an investment in the underlying Cryptocurrency, their prices may fluctuate for any reason and such fluctuations may not be predictable.

Momentum pricing of the underlying Cryptocurrency has previously resulted, and may continue to result, in speculation regarding future appreciation or depreciation in the value of such assets, further contributing to volatility and potentially inflating prices at any given time. As a result, pricing of the underlying Cryptocurrency may change due to shifting investor confidence in future outlook of the asset class. These dynamics may impact the value of an investment in the Bonds.

2.2.3.1.4. Potential for market abuse due to the characteristics and infrastructure of the underlying Cryptocurrency

Markets for the underlying Cryptocurrency are growing rapidly. These markets are local, national and international and include a broadening range of products and participants. Significant trading may occur on systems and platforms and with minimum predictability. Any sudden, rapid change in demand and supply of the underlying Cryptocurrency, could cause significant price volatility. In addition, none of the underlying Cryptocurrency is backed by any central government and different regulatory standards apply across countries and in regions. The characteristics of the underlying Cryptocurrency and underlying infrastructure could be used by certain market participants to exploit market abuse opportunities such as front-running (a form of insider dealing, whereby inside information of a future transaction is exploited to buy or sell financial assets for own account), spoofing (a form of fraud, whereby the communication with the target is disguised to gain access to its personal information and/or network for further attacks), pump-and-dump (a form of fraud, whereby the price of a financial asset is artificially inflated through false and misleading information) and fraud across different systems, platforms or geographical locations. As a result of reduced oversight, these schemes may be more prevalent in the crypto asset market than in the general market for financial products. Potential for market abuse in the form of such schemes may impact market conditions of the underlying Cryptocurrency, thereby impacting the value of the underlying Cryptocurrency and thereafter the value of an investment in the Bonds.

2.2.3.1.5. Split of a blockchain could result in a split of the Bonds into separate Series of Bonds, and exchanges of the underlying Cryptocurrency

There is a risk that source codes or protocols of the underlying Cryptocurrency will be further developed and this for various reasons would lead to a split of the virtual currency into several protocols (so-called "**Hard Fork**"). A Hard Fork is a fundamental change to the mutually agreed rules so that computers running the old code do not execute transactions that will be recognised as valid by computers running the new code. A Hard Fork can be indisputable, controversial or a spin-off. An indisputable Hard Fork can be compared to a software upgrade, which all (or almost all) users agree, so that the change results in only one network and one set of rules. A disputed Hard Fork can cause disagreement among users creating two competing incompatible networks who compete for the same brand. For example, the Bitcoin network had a spin-off on 1 August 2017, which resulted in a Bitcoin (BTC) and Bitcoin Cash (BCH).

If a Hard Fork in form of a spin-off occurs (the "**Split**") and leads to the creation of two or more cryptocurrencies, the Determination Agent will, in accordance with Condition 2 of Annex B to the Terms and Conditions, make the determinations and adjustment with regards to the Bonds, which it deems necessary, including the exchange of one or more Cryptocurrency with a subsequent adjustment to the Asset Entitlement, modifications of the Terms and Conditions in order to take into consideration the Split and the determination of whether or not any consideration in cash, in kind or by way of issuance of a new Series of Bonds are due to Bondholders affected by the Split.

The analysis of the necessary actions to be taken following the Split is at the sole discretion of the Determination Agent, whereby the Determination Agent will consider, without limitation, the availability of a custody solution, trading support from market makers, sufficient liquidity and the availability of a price on or around the date of the Split. While these attributes may change over time, the Determination Agent may require that any forked assets have an available custody and trading solution on the fork date. There is no guarantee that all cryptocurrencies will have the same performance or the same technical development and this could lead to a negative impact on the Bondholders. In addition, a newly-forked asset may increase other risks such as liquidity risk, market manipulation risk, risk of bankruptcy or insolvency and increased volatility, amongst others. See also 2.2.3.1.1. "*Price volatility of the underlying Cryptocurrency*".

2.2.3.1.6. Exchange rate risks and failure of crypto-exchange platforms

Bonds can be redeemed at their Asset Entitlement, meaning that the Bondholders will receive units of the underlying Cryptocurrency, if so chosen by the Bondholder. If the Bondholders intend to exchange such units of the underlying Cryptocurrency into fiat currencies, such as, for example, Bitcoin into EUR, there is a risk of insufficient liquidity in the market. It is not possible to predict whether a market for the underlying Cryptocurrency will exist and whether such market will be liquid or illiquid and how the underlying Cryptocurrency can be traded in such market. Among other things, this can lead to very volatile exchange rates. Bondholders may incur transaction costs and fees while exchanging from the underlying Cryptocurrency into fiat currency, such as EUR. The Bondholders also bear the risk that no such exchange is possible at all and that no market is available for this purpose.

The historical market price of the underlying Cryptocurrency or its/their exchange rate(s) is not an indicator of its future development. It is not possible to predict whether the market price(s) of the underlying Cryptocurrency will rise in relation to another currency or fall.

2.2.3.1.7. Transactions in the underlying Cryptocurrency may be misused for criminal activities, including money laundering

Transactions in cryptocurrencies are public, but the exact identity of the sending party and the recipient of these transactions are not normally known. Transactions are largely untraceable and provide cryptocurrency consumers with a high degree of anonymity. It is therefore possible that the cryptocurrency networks will be used for transactions associated with criminal activities, including money laundering. If, as a result of the aforementioned, authorities close down trading platforms, impose regulations or otherwise restrict or complicate the use of the underlying Cryptocurrency, this may affect their value and therefore the value of the Bonds.

2.2.3.1.8. Risk relating to the further development and acceptance of the Protocols of the Cryptocurrency

The protocols of the underlying Cryptocurrency (the "**Protocols**") are publicly available and under development. Further development and acceptance of each of the Protocols is dependent on a number of factors. The development of the Protocols may be prevented or delayed, should disagreements between participants, developers and members of the relevant network arise. New and improved versions of the source code are accepted if the majority of members of the network implement relevant changes in their nodes, meaning upgrading their software to the latest version of the codes. Should a situation arise where it is not possible to reach a majority in the relevant network regarding the implementation of a new version of a Protocol, this may mean that, among other things, the improvement of relevant underlying Cryptocurrency's scalability may be restrained. Should the development of a Protocol be prevented or delayed, this may adversely affect the value of the underlying Cryptocurrency.

Further, as the structures of each of the Protocols are public, any kind of direct compensation for the developers of the Protocols is missing, which could lead to decreased incentives for continuous development of the Protocols. Should a Protocol not develop further, the value of the relevant underlying Cryptocurrency will decrease, which in turn would affect the value of the Bonds.

2.2.3.1.9. Technical risks related to the Cryptocurrency including 51 percent attacks

Miners of the Cryptocurrency earn ("mine") units of the relevant Cryptocurrency by confirming transactions and reaching consensus, and a pre-defined number of units of such Cryptocurrency is distributed between the miners proportional to their utilised computing ("hashing") power. The results of the reached consensus defined by the relevant Protocol is the public ledger known as the blockchain. If an attacker succeeds in providing more than 50 percent of the blockchain miners computing power in a so-called "51 percent attack", it can manipulate what is designed (by the relevant Protocol) to be a blockchain version reached by consensus to a certain extent (in particular, such an attacker will be able to 'roll back' or exclude valid transactions from the blockchain). Such an attack, in particular, enables perpetrators to 'double-spend' units of the relevant Cryptocurrency by a way of exchanging some pre-existing units of the relevant Cryptocurrency for some other value (either other units of the relevant Cryptocurrency, other crypto-asset or fiat currency), and then rolling-back the transaction where such perpetrators surrender their units of the relevant Cryptocurrency without rolling back the transactions (if any) where they receive any value in exchange for their units of the relevant Cryptocurrency. Such an attack is in principle also possible with less than 51 percent of the mining power. The attacker could also block others' transactions by denying them a confirmation. The value of the underlying Cryptocurrency as well as the investment in the Bonds would be negatively affected by such attacks, and the Issuer can become insolvent with some or total loss of value for the Bondholders if it becomes a victim of a 'double-spending' attack, where a fraudulent party will subscribe to the Bonds using units of the underlying Cryptocurrency, but then roll-back the transaction which deposits units of the underlying Cryptocurrency to the Secured Custody Account.

In addition, the rapid development of quantum computing could have an impact on the integrity of the blockchain. A blockchain is a mathematical structure securing data through asymmetric cryptography (public and private keys) and a hash function (which is a cryptographic method used for mining the underlying Cryptocurrency). Advanced quantum computing could threaten the integrity of a blockchain. Shor's algorithm, a quantum algorithm for finding the prime factors of an integer, run on a large enough quantum computer can crack various cryptographic algorithms, including the blockchain one. Cryptocurrency are based on Elliptic Curve Cryptography which is not quantum-computer resistant. If the integrity of the blockchains of any of the underlying Cryptocurrency is threatened, the value of the underlying Cryptocurrency as well as the value of the Bonds would be negatively affected.

2.2.3.1.10. Bugs in the Protocols of the underlying Cryptocurrency

The source codes of the Cryptocurrency are public and may be downloaded and viewed by anyone. There may be one or more bugs in the codes which are yet to be found and repaired, or which will occur in the development of the Protocols, which may jeopardize the integrity and security of the networks of the underlying Cryptocurrency.

2.2.3.1.11. Risk relating to the dependence of the Cryptocurrency' networks on internet connections

The functionality of crypto asset networks such as the networks of the underlying Cryptocurrency relies on the internet. A significant disruption of internet connectivity (i.e. affecting a large number of users or geographic regions) could prevent the functionality and operations of such network until the internet disruption is resolved. An internet disruption could adversely affect an investment in the Bonds and the ability of the Issuer to operate.

2.2.3.1.12. An inadequate or inappropriate Bondholder Wallet for the underlying Cryptocurrency can lead to the loss of the underlying Cryptocurrency

If any Bonds are terminated either by the Issuer or the Bondholder pursuant to the Terms and Conditions and the Bondholder is entitled to receive payments in the Underlying Asset, the Underlying Asset must be transferred to the respective Bondholder Custody Account, which, in relation to an underlying Cryptocurrency, is a digital wallet of the Bondholder (the "**Bondholder Wallet**"). If this transfer occurs to an inadequate or inappropriate Bondholder Wallet (which includes, but is not limited to, Bondholder Wallets to which the Bondholder does not have the corresponding private cryptographic key or keys, or which the Bondholder cannot operate due to any other limitation, technical or otherwise), the Bondholder will not be able to access and dispose of the Underlying Assets. For the Bondholder, this means a total loss of its investment. The decision on choosing the correct compatible Bondholder Wallet lies solely with the Bondholder. The Bondholder is also entirely responsible for the secure storage of the private key of its Bondholder Wallet(s) in order to receive and dispose of the underlying Cryptocurrency. The loss or theft of the private key (which includes an unauthorised copy of all or a part of the key or keys) can result in a total loss of all of the assigned underlying Cryptocurrency within the Bondholder Wallet(s).

2.2.3.1.13. Risk of losing units of the underlying Cryptocurrency in a Bondholder Wallet due to fraud, accident or similar

Bondholders receiving units of the underlying Cryptocurrency as a result of a redemption of the Bonds should be aware of the risk of losing such units when they hold or deposit such units in a Bondholder Wallet. Units of the underlying Cryptocurrency are usually stored in a "digital wallet" on a computer, laptop or smart phone. Bondholder Wallets have a public key, and a private key or password that allows their owners to access them. However, Bondholder Wallets are not impervious to hacking. Similar to conventional wallets, money may therefore be stolen from Bondholder Wallets. Cases have been reported of consumers losing cryptocurrency in excess of USD 1,000,000, with little prospect of having it returned. In addition, loss of the key or password to a Bondholder Wallet (which includes unauthorised copy of the key or the password or a part of it), may result in cryptocurrency stored on the Bondholder Wallet to be lost forever. There are no central agencies that record passwords or issue replacement ones. Bondholders may lose all, or part, of their units of the underlying Cryptocurrency as a result of these factors.

2.2.3.1.14. Hacks of Bondholder Wallets

There are three types of hacks of Bondholder Wallets that can affect an investment in the Bonds. In this context, a "hack" refers to any unauthorised access to the private keys necessary to sign transactions on the blockchain transferring value out of the relevant Bondholder Wallet. This includes "brute force" attacks (i.e. attacks seeking to obtain the information regarding the private keys through a trial-and-error method, whereby software is used to generate a large number of consecutive guesses). While such attacks are currently unlikely, it should be noted that the development of quantum computing is expected to make such attacks possible, as the underlying Cryptocurrency are based on Elliptic Curve Cryptography which is not quantum-computer resistant, see also 2.2.3.1.9. "*Technical risks related to the Cryptocurrency including 51 percent attacks*".

- A hack of the Secured Custody Account could result in the loss of the main body of the underlying Cryptocurrency backing the Bonds. Such a hack could thus result in a loss of value of the Bonds for all the Bondholders. Bondholders would risk losing their entire investment. While the Depositary takes significant measures to prevent a hack of the Secured Custody Account(s), it is not possible to entirely exclude this risk.

- A hack of a Bondholder Wallet into which the redemption proceeds of the Bonds of a particular Bondholder are transferred, would only result in a loss of value for that particular Bondholder. Such a hack would not affect the position of other Bondholders. In this respect, please also refer to 2.2.3.1.13. "*Risk of losing units of the underlying Cryptocurrency in a Bondholder Wallet due to fraud, accident or similar*" above.

- A hack of any digital wallet of the Issuer which is not the Secured Custody Account would not directly affect Bondholders, but it could affect the financial and economic position of the Issuer and could result in the Issuer ceasing its commercial operations and winding-up its activities, which would adversely affect an investment in the Bonds in particular due to a mandatory redemption.

2.2.3.1.15. Competition between cryptocurrencies

Different cryptocurrencies compete with each other. If other cryptocurrencies see more innovation to reach competitive advantages, the importance of the underlying Cryptocurrency may be reduced, which will decrease the value of the underlying Cryptocurrency and the Bonds.

2.2.3.1.16. Large-scale sales of the underlying Cryptocurrency

Political or economic events, either domestically or in foreign jurisdictions, may motivate large-scale purchases or sales of the underlying Cryptocurrency. Large-scale sales of the underlying Cryptocurrency may result in a decline in the price of the underlying Cryptocurrency, which will adversely affect an investment in the respective Bonds.

There are some substantial holdings of units of the underlying Cryptocurrency on publicly-known digital wallets which have not been involved in transactions on the network for a substantial period of time. Market consensus is that the owners of such digital wallets have lost access to them and/or to corresponding private keys. Thus, market consensus is that such units of the underlying Cryptocurrency "locked" in such digital wallets are effectively excluded from circulation. In the event that holdings of a Cryptocurrency considered locked up forever were to enter into circulation, the price of such Cryptocurrency might be severely affected by the increasing supply.

Additionally, even if such holdings are not actually sold and there is any indication that corresponding private keys are not lost (by any means, including but not limited to registering any transaction signed by needed keys, no matter how small and not even necessarily on the relevant blockchain), market expectations with regard to total supply of the relevant Cryptocurrency can change dramatically and it can negatively affect the price of the underlying Cryptocurrency, which will adversely affect an investment in the Bonds.

2.2.3.1.17. Actions by early adopters of the Cryptocurrency

There is no registry showing which individuals or entities own units of the underlying Cryptocurrency or the quantity of units of the underlying Cryptocurrency owned by any particular person or entity. It is possible, and in fact, reasonably likely, that a small group of early adopters hold a significant portion of units of the underlying Cryptocurrency that have been mined to date. There are no regulations in place that would prevent large holders of units of the underlying Cryptocurrency from selling their holdings. Such a sale may adversely affect the price of the underlying Cryptocurrency and an investment in the Bonds.

2.2.3.1.18. Potential decline in the adoption of the underlying Cryptocurrency

As with all new assets and technological innovation, the crypto asset industry is subject to a high degree of uncertainty. Further adoption of each of the Cryptocurrency will require (i) growth in their acceptance as currency for payments and/or (ii) growth in the use of blockchain applications based on the

Cryptocurrency. Adoption of crypto assets also requires an accommodating regulatory environment. The Issuer does not and will not have any strategy related to the development of the underlying Cryptocurrency and any applications for the blockchain technology. Lack of expansion in the usage of the underlying Cryptocurrency and the relevant blockchains could adversely affect their price and investment in the Bonds.

In addition, there is no assurance that the underlying Cryptocurrency will maintain their value over the long term (see also 2.2.3.1.1 "*Price volatility of the underlying Cryptocurrency*" and 2.2.3.1.3. "*Risk relating to the valuation of the underlying Cryptocurrency due to their lack of relation to underlying assets*"). The value of each of the underlying Cryptocurrency is subject to risks related to its usage. Even if growth in the usage and/or acceptance of crypto assets such as the Cryptocurrency occurs in the near or medium-term, there is no assurance that crypto assets usage will continue to grow over the long-term. Contraction in the use of crypto assets may result in increased volatility or a reduction in the price of crypto assets, including the underlying Cryptocurrency, which would adversely impact the value of the Bonds.

Additionally, it is possible that crypto assets as an asset class are widely adopted and successful, but the underlying Cryptocurrency in particular become obsolete and are replaced by a new generation of crypto-assets, this could negatively affect the price of the underlying Cryptocurrency and consequently the price of the Bonds.

2.2.3.1.19. Transaction costs may vary depending on network load (unpredictable for Issuer and Bondholder)

Charges apply when transferring units of the underlying Cryptocurrency as part of the redemption of the Bonds in the underlying Cryptocurrency. In case of an Index, these charges apply to the transfer of the units of each underlying Cryptocurrency comprising the Index, as the case may be. The amount of fees required to maximise the chances of a reasonably fast confirmation of the transaction does not depend on the value of the underlying Cryptocurrency transferred. The transferring participant can determine the transaction fees it is willing to pay. The higher this value is, the faster the transaction will be confirmed. When miners form new blocks, they are economically incentivised to select those transactions from the pool of unconfirmed transactions (known as the "**Mempool**") that have the highest transaction fee. Such selection is necessary because the number of transactions which can be included in any particular block is limited by the relevant Protocol's specification. The transaction costs required to be paid in order to maximize the chances of timely processing of any transaction, are thus not constant over time, but depend on the size of the Mempools and on the proposed fees of transactions posted by other participants. Furthermore, miners may collude in an anticompetitive manner in order to reject low transaction fees, forcing users to pay higher transaction fees. Due to the reasons outlined above, the level of transaction fees required to maximise the chances of prompt transfer instruction processing, as well as the actual timing of any transaction is therefore unpredictable and Bondholders might receive the units of the relevant underlying Cryptocurrency later than anticipated, or in extreme cases, not at all.

2.2.3.1.20. Risk of reduced liquidity in certain Proof of Stake Protocols

If so specified in the relevant Final Terms of the respective Series of Bonds, the Issuer may use the underlying Cryptocurrencies for purposes Staking (as further described below under 13.2.6. "*Staking*").

Some proof of stake protocols restrict transferability of Cryptocurrency that are contributed to a staking pool for a certain period and/or require a certain period for the unbonding/destaking of such Cryptocurrency. During such period, the Cryptocurrency remains the property of the Issuer, maintained by the Depositary, but cannot be transferred (as transfers cannot be registered on the protocol).

The Issuer may stake Cryptocurrency that are subject to such liquidity restrictions. As a result, the Issuer may hold Cryptocurrency subject to such restrictions, which in turn may hinder the Issuer in satisfying redemption requests. The Issuer may agree with the Depositary (or other party) to provide a necessary liquidity bridge to ensure it can continue to satisfy redemption obligations while its holdings are restricted, but there can be no guarantee that the Depositary can provide such alternative liquidity.

In the event the Depositary fails to provide such alternative liquidity, the Issuer may not be able to satisfy redemption requests until the liquidity restrictions are removed. During such periods, the Diminishing Entitlement Rate will continue to apply, so that the Asset Entitlement and, thus, the amount of units of the underlying Cryptocurrency to be received by the respective Bondholders, will continue to decrease accordingly. Additionally, in periods during which the redemption process is delayed or interrupted, the value of the underlying Cryptocurrency may fluctuate/decrease, which may consequently adversely affect the price at which investors are able to trade the Bonds in the secondary markets.

2.2.3.1.21. Risk of Loss relating to Staking

Certain proof of stake protocols impose penalties on validators who negligently or maliciously validate transactions on the protocols ("**Staking Penalties**"). Such Staking Penalties can also be imposed due to inadvertent errors, technological problems, hacking and other malicious activities. The Staking Penalties can comprise loss of rewards as well as a loss of the units of the underlying Cryptocurrency subject to Staking. These penalties are commonly referred to as "**Slashing**".

It is possible that the Staking Provider (as further described in section 13.2.7. "*Description of the Staking Provider*". below, the "**Staking Provider**") will indemnify the Depositary against losses related to Slashing and Staking Penalties (an "**Indemnity**"). If such an Indemnity is provided, the Depositary will agree with the Issuer to pass on any payments so received to the Issuer. Upon the occurrence of Slashing and/or Staking Penalties, however, the Issuer will be dependent on the Staking Provider's ability to satisfy its obligations under any Indemnity and the Depositary's ability to pass on any amounts so received. If either of the Staking Provider or the Depositary is unable to satisfy, or there is a delay in satisfying, such obligations, the Issuer may have insufficient units of Cryptocurrency to satisfy its obligations to redeem the Bonds backed by Cryptocurrency which are subject to the Slashing and/or Staking Penalties. In such case, where the total or a portion of the Deposited Underlying Asset is forfeited or reduced due to Slashing and the Issuer is not able to fully mitigate or compensate the effects of these events on the Secured Obligations Amount due to the Staking Provider or the Depositary being unable to satisfy their obligations vis-à-vis the Issuer, the Issuer has the right to adjust the Asset Entitlement. This will effectively result in a reduction of the Asset Entitlement, even to zero, so that investors in such Bonds may suffer a total loss of their investment.

2.2.3.1.22. De-pegging risks related to Stablecoins

The Bonds may be linked to Cryptocurrencies which are set up as so called "Stablecoins". Stablecoins are designed to maintain a stable value relative to one or more reference assets, which may include fiat currencies (such as the U.S. Dollar or Euro), commodities, other crypto-assets, or baskets thereof (each, a "**Reference Asset**"). The mechanism by which a Stablecoin maintains its peg to the Reference Asset varies depending on the type of Stablecoin and may rely on (i) fiat currency reserves held by or on behalf of the issuer of the respective Stablecoin; (ii) over-collateralization by other assets; (iii) algorithmic supply-and-demand adjustment mechanisms; or (iv) a combination of the foregoing.

None of these mechanisms guarantees that a Stablecoin will maintain its peg to the Reference Asset at any time or over any period. The peg may be lost or impaired as a result of, among other things: (a) a loss of confidence in the issuer of the respective Stablecoin or its reserve management practices; (b) sudden and significant redemption pressure exceeding the respective Stablecoin issuer's capacity to honor redemptions; (c) inadequacy or illiquidity of reserves; (d) disruptions to the algorithmic mechanisms designed to stabilize the Stablecoin's value; (e) adverse regulatory action targeting the Stablecoin or its issuer; or (f) broader cryptocurrency market dislocations resulting in correlated selling pressure across multiple asset classes.

In the event of a material de-pegging of the relevant Stablecoin, trading in the Bonds on the relevant trading venues may be suspended, halted, or otherwise interrupted by the relevant operator(s), the market maker(s), the Issuer, or a relevant competent authority. Such suspension may occur pursuant to applicable trading rules, market integrity requirements, or the exercise of discretionary powers by the relevant trading venue or competent authority. Such trading suspensions may last for an indeterminate

period, and there is no assurance that trading will resume or, if trading does resume, that it will resume at a value that is acceptable to investors.

In the event of a severe or prolonged de-pegging of the relevant Stablecoin, the Bonds may even be delisted from the relevant trading venue on which they are listed and/or admitted to trading.

In any case of a trading suspension or a delisting of the Bonds (i) investors will be unable to sell their Bonds on the secondary market; (ii) investors will be unable to hedge their exposure to the Stablecoin through transactions in the Bonds; and (iii) the value of the Bonds may continue to decline, including to zero, notwithstanding the delisting or suspension of trading.

In addition, even absent a formal delisting or trading suspension, the liquidity of the Bonds in secondary markets may be materially impaired during periods of Stablecoin market stress, as market maker(s) may widen bid-ask spreads significantly or withdraw from market-making activities altogether. Investors should therefore not assume that they will be able to exit their position in the Bonds at any time or at any particular price, particularly during or following a de-pegging event.

Investors should note that a Stablecoin's historical record of maintaining its peg to the Reference Asset is not, and should not be construed as, a guarantee, indication, or assurance of future peg stability or performance. The mechanisms underlying a Stablecoin's peg stability may be subject to conditions, such as, inter alia, market conditions, redemption volumes, reserve composition, and regulatory environment, that may not persist over time, and which may change materially and rapidly. Accordingly, investors should not rely on a Stablecoin's past peg stability as a basis for assessing the risk of de-pegging or as an indicator of the future performance and value of the Bonds.

If the relevant Stablecoin to which the Bonds are linked ceases to trade at or near its intended peg value, the value of the Securities may be adversely affected, potentially to a material degree and investors in such Bonds may suffer a total loss of their investment.

2.2.3.1.23. Risks in connection with insufficient backing of Stablecoins

Fiat-backed and commodity-backed Stablecoins purport to maintain reserves equal in value to the outstanding supply of the Stablecoin, held in the form of assets intended to be equivalent in value to the Reference Asset (the "**Reserve Assets**").

Such Reserve Assets may be insufficient to support full redemption of all outstanding Stablecoin units at the peg value, whether as a result of mismanagement, fraud, loss, or investment of Reserve Assets in assets that decline in value. The Reserve Assets may also not consist entirely of cash or highly liquid, high-quality assets equivalent in value and currency to the Reference Asset. Reserve Assets may include assets that are subject to credit risk, market risk, or liquidity risk, including commercial paper, money market instruments, other cryptocurrencies, or other assets that may decline in value or become illiquid during periods of market stress, precisely when redemption pressure is highest. If, in such case, the Reserve Assets are insufficient or not sufficiently liquid to meet redemption demands, the Stablecoin may de-peg.

Further, there is a risk that the Reserve Assets are not held in accounts that are legally segregated from the general assets of the issuer of the respective Stablecoin. While Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-asset ("**MiCAR**") imposes reserve and custody requirements on issuers of Stablecoins, there is no guarantee that the issuer of the respective Stablecoin will at all times comply with these requirements. Additionally, stablecoins issued or managed outside the European Union, or by entities not yet authorized under MiCAR, may not be subject to equivalent requirements. In the absence of effective segregation of the Reserve Assets held in custody, the Reserve Assets may be subject to the claims of creditors of the Stablecoin issuer in the event of the respective Stablecoin issuer's insolvency, which could result in Bondholders being unable to recover the full value of their Bonds.

In any such cases of an insuffcient backing of the Stablecoins by Reserve Assets, Bondholders may suffer a partial or even total loss of their investment.

2.2.3.1. Risks specific to Shares as Underlying Assets

2.2.3.1.1. Emerging Market Shares

The Bonds may be linked to and secured by Shares of companies with their corporate seats and core business located in emerging market countries. Potential risks related thereto are high rates of inflation; volatile interest rate levels; balance of payments; the extent of governmental surpluses or deficits in the relevant country; the possibility of expropriation of assets; confiscatory taxation and political or social instability or diplomatic developments. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the governments of the related countries. Furthermore, certain financial markets, while generally growing in volume, have, for the most part, substantially less volume than more developed markets, and securities of many companies may be less liquid and their prices more volatile than securities of comparable companies in more sizeable markets, thus affecting the value of the Underlying Assets. Should these events materialise, this may lead to the value of the Bonds falling below the value of such Bonds at the time of the initial purchase and this might lead to a partial loss to a Bondholder if a Bondholder is selling its Bonds at the this time these events are taking place.

2.2.3.1.2. Depositary receipts

The Bonds may be linked to and secured by depositary receipts (American Depositary Receipts, Global Depositary Receipts and European Depositary Receipts). These are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly, whilst the depositary receipts are traded on recognised exchanges, there may be other risks associated with such instruments to consider- for example the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks. If this is the case, holdings of the depositary receipt, and, accordingly, the Underlying Assets, might be negatively affected. Should these events materialise, this may lead to the value of the Bonds falling below the value of such Securities at the time of the initial purchase and this might lead to a partial loss to a Bondholder if a Bondholder is selling its Bonds at the time these events are taking place.

2.2.3.2. **Risks specific to ETPs as Underlying Assets**

2.2.3.2.1. Risks specific to open-end funds

Bonds linked to an exchange traded product ("**ETP**") which is an open-end fund do not provide for predetermined payout amounts and/or interest payments. Redemption amounts will depend on the market value of the fund share of the respective fund, which might be substantially less than the issue/offer price or, as the case may be, the purchase price invested by the Bondholder and may even be zero in which case the Bondholder may lose his entire investment.

Such Bonds are not in any way sponsored, endorsed, sold or promoted by the fund manager of the underlying fund share and such fund manager makes no warranty or representation whatsoever express or implied, as to the future performance of the underlying fund share.

Bonds linked to ETPs, which are open-end funds, are particularly dependent on the performance of the replicated index, basket of underlying assets or underlying asset. Since open-end funds such as ETFs can replicate different investment classes, such as equity instruments, debt instruments, pension instruments, commodities, indices of all kinds (including, but not limited to equity indices, commodity indices and bond indices) etc., an investor must be able to assess the characteristics of the replicated index, basket of underlying assets or underlying asset and their risks in order to evaluate the performance of the respective open-end fund, for example an ETF.

In the event of a downward movement of the index, basket of underlying assets or underlying asset replicated by such funds, the value of the respective fund generally falls as well.

In addition to funds which solely replicate investment classes, Bonds linked to an ETP may also be linked ETPs which are funds, which follow a “short” or “inverse” strategy, which aims to increase in value if the respective benchmark investment class falls in value. These strategies are typically utilise short-selling, futures contracts or other derivative instruments to create an investment product with a performance inverse to its benchmark.

In case of such "short" or "inverse" strategy funds, and in case of an upward movement of the benchmark, the value of the respective fund generally falls.

The occurrence of divergences between the price of the open-end fund and that of the replicated index, basket of underlying assets or underlying asset cannot be excluded (so called tracking error). Although open-end funds are not actively managed, there is usually a management fee that can affect the value of the fund and thus indirectly the value of the Bonds. If an open-end fund is not constantly funded, in the long term, the investment company may close such open-end fund. Given that redemption amounts will depend on the market value of the respective fund share, a closure of the fund might result in the Bondholder losing part of or even all of its investment.

2.2.3.2.2. Risks specific to Bonds linked to closed-end funds

Bonds linked to an ETP which is a closed-end fund do not provide for predetermined payout amounts and/or interest payments. Redemption amounts will depend on the market value of the fund share of the respective fund, which might be substantially less than the issue/offer price or, as the case may be, the purchase price invested by the Bondholder and may even be zero in which case the Bondholder may lose his entire investment.

Such Bonds are not in any way sponsored, endorsed, sold or promoted by the fund manager of the underlying fund share and such fund manager makes no warranty or representation whatsoever express or implied, as to the future performance of the underlying fund share.

Furthermore, the fund manager of the underlying fund share does not assume any obligations to take the interests of the Issuer or those of the Bondholders into consideration for any reason. The respective fund manager of the underlying fund share will not receive any of the proceeds of the offering of the relevant Bonds made hereby and is not responsible for, and has not participated in, the determination of the timing of, prices for or quantities of, such Bonds. The investment in the Bonds does not result in any right to receive information from the fund manager of the respective fund, to exercise voting rights or to receive distributions on the fund shares.

The market value of the respective fund shares depends on the net asset value of the respective closed-end funds which is calculated regularly, based on the value of the assets in the closed-end fund which may be influenced by factors such as dividend levels, portfolio credit quality, general market conditions and relative demand and supply of the respective shares in the market.

To the extent the closed-end fund invests in common stocks, preferred stocks, convertible securities, rights and warrants, it will be exposed to equity risk. Equity markets may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Preferred stocks often behave more like fixed income securities. If interest rates rise, the value of preferred stocks having a fixed dividend rate tends to fall. The value of convertible securities fluctuates with the value of the underlying stock or the issuer's credit rating. Rights and warrants do not necessarily move in parallel with the price of the underlying stock and the market for rights and warrants may be limited.

In case the relevant closed-end fund concentrates its investments in certain industries, the relevant portfolio may be significantly impacted by the performance of the respective market and may experience more volatility and be exposed to greater risk than a more diversified portfolio.

Further, unlike open-end funds, closed-end funds do not continuously offer shares and do not provide for daily redemptions. Rather, if a shareholder determines to buy additional shares or sell shares already held, the shareholder may do so by trading through a broker on the stock exchange (if the shares are listed) or otherwise. Shares of closed-end investment companies frequently trade on an exchange at prices lower than the net asset value.

Unlike open-end funds, closed-end funds are subject to management risk because they are actively managed investment portfolios. The portfolio managers will apply investment techniques and risk analyses in making investment decisions for the fund, but there can be no guarantee that these will produce the desired results. There is a risk that the fund managers' skill in determining the allocation of assets and in selecting the best mix of investment as well as their evaluation and assumptions

regarding asset classes or investments may be incorrect in view of actual market conditions. In addition, actively managed funds are subject to management fees and other expenses.

All these factors might impact the market value of the respective fund shares and, therefore, redemption amounts payable to the Bondholders.

2.2.3.2.3. Risks specific to commodity linked underlyings

The Bonds may also be linked to ETPs which themselves are linked to commodities or indices comprised of commodities (or futures contracts on such commodities).

A commodity is a basic good used in commerce that is interchangeable with other commodities of the same type. The sale and purchase of commodities is usually carried out through futures contracts on exchanges that standardise the quantity and minimum quality of the commodity being traded.

A commodity index tracks the performance of a specified number of commodities (or futures contracts on such commodities). The index is computed from the prices of the commodities such index is comprised of.

Commodity markets are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies designed to influence commodity prices, world political and economic events, changes in interest rates and factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

In case the value of the relevant commodity or commodity index falls, this will also have an adverse impact on the value of the Bonds linked to an ETP which itself is linked to such commodity or index. Accordingly, any investor that purchased such Bonds at a higher price may lose the value of part or all of its investment if it is not able to sell its Bonds quickly and/or at a price such that the investor is able to prevent or minimise any loss of its investment.

2.2.3.2.4. Risks specific to fixed income instruments as underlying

The Bonds may be linked to ETPs in the form of fixed income instruments such as (a) bonds issued by corporate issuers (such as euro medium term notes or structured notes) or by governmental and supranational bodies (government bonds), (b) fixed income interest rate swaps, (c) bank deposits, (d) certificates of deposits or (e) bank loans.

The market value of fixed income instruments is especially sensitive to interest rate changes. Interest rates are strongly affected by public budget policy, the policies of the relevant central bank(s), the overall economic development and inflation rates, as well as by foreign interest rate levels and exchange rate expectations. However, the importance of individual factors cannot be directly quantified and may change over time. In general, prices of fixed income instruments will increase as interest rates fall and decrease as interest rates rise. The magnitude of these fluctuations in the market price is generally greater for those fixed income instruments with longer maturities.

To the extent that the fixed income instruments may be prepaid at the option of the obligor, the sensitivity of such fixed income instruments to changes in interest rates may increase (to the detriment of the ETP) when interest rates rise.

These principles also apply to bonds issued by governmental or other supranational bodies (so called government bonds). A bond backed by the "full faith and credit" of a governmental or other supranational body is guaranteed only as to its stated interest rate and face value at maturity, not its current market price. Just like other fixed income instruments, government bonds will fluctuate in value when interest rates change.

In case of rising market interest rates, this will also have an adverse impact on the value of the Bonds linked to such fixed income instrument. Accordingly, any investor that purchased such Bonds at a higher price may lose the value of part or all of its investment if it is not able to sell its Bonds quickly and/or at a price such that the investor is able to prevent or minimise any loss of its investment.

Additionally, Bondholders bear the risk that the issuer/debtor of such fixed income instrument is not able to meet its obligations under such fixed income instruments, irrespective of whether such instruments are referred to as capital or principal protected or how any principal, interest or other payments under such instruments are to be calculated. If such risk materialises, then that would have a significant negative impact on the Bondholder's return on the Bonds and a Bondholder may lose up to its entire investment.

2.2.3.2.5. Risks specific to foreign exchange rates as underlying

The Bonds may be linked to ETPs which are linked to foreign exchange rates (FX) which aim to provide Bondholders exposure to the changes in one or more currency against the other. The performance of foreign exchange rates, currency units or units of account is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency.

In connection therewith it should be noted that especially emerging market currencies can be significantly more volatile than currencies of more developed markets. Emerging markets currencies are highly exposed to the risk of a currency crisis happening in the future. These factors result in such exchange rates having an increased risk profile.

If the underlying exchange rate decreases, this will also have an adverse impact on the value of the Bonds linked to such exchange rate via the underlying ETP. This might lead to a partial or even total loss to a Bondholder if a Bondholder is selling its Bonds and the value of those Bonds has dropped below the value of such Bonds at the time of the initial purchase by the Bondholder.

2.2.3.2.6. Risks specific to volatility instruments as underlying

The Bonds may be linked to ETPs linked to or based on volatility strategies. Volatility instruments are primarily based on purchases and sales of futures contracts, call options, and put options on volatility futures.

Volatility futures contracts are unlike traditional futures contracts and are not based on a tradable reference asset. Instead, they are based on a not directly investable index, the levels of which represent the market's expectations for the relative strength of near-term price changes of a specified underlying index.

Volatility futures contracts can be highly volatile and may experience sudden, large and unexpected losses. The market for volatility futures contracts may fluctuate widely based on a variety of factors including changes in overall market movements, political and economic events and policies, wars, acts of terrorism, natural disasters (including disease, epidemics and pandemics), changes in interest rates or inflation rates. The more dramatic the price swings are in the index, the higher the level of volatility, and vice versa.

This will also have an adverse impact on the value of the Bonds linked ETPs linked to to such volatility instrument and may result in a partial or even total loss to a Bondholder if a Bondholder is selling its Securities and the value of those Securities has dropped below the value of such Securities at the time of the initial purchase by the Bondholder.

2.2.3.2.7. Risks specific to covered call instruments as underlying

The Bonds may be linked to ETPs in the form of covered call instruments.

Covered call instruments are ETPs linked to covered call options and structured notes that provide exposure to covered call options.

In case of a covered call strategy, the issuer of the ETP will sell "out of the money" covered call options linked to an underlying asset for a premium. Such call options provide the purchaser with the right (i) to buy the respective underlying asset for a fixed price on a certain date or (ii) if the option is cash settled, to receive a payment equal to the difference between the value of the underlying asset and the exercise price of the relevant call option.

In a rapidly upward-trending market or in an extremely volatile market, a covered call strategy can underperform a long-only investment in the underlying asset, because it will fail to capture all of the potential upside and can miss out on significant gains. Especially in cases where the price of the respective underlying asset ends up above the agreed fixed price for the sale of the underlying assets on the respective agreed date, the return of the ETP is capped at a price equivalent to the exercise price plus the premium received.

In such cases, the covered call strategy might have a negative impact on the value of the covered call instrument and, thus, on the relevant Bonds and the return of the Bondholders may be less compared to a direct investment in the underlying asset of the covered call instrument.

2.2.3.2.8. Risks specific to multi-asset instruments as underlying

The Bonds may be linked to ETPs which are multi-asset instruments.

Multi-asset instruments are ETPs which are comprised of several assets of various asset classes. In such case, Bondholders are not only subject to the risks connected to an individual asset class, but to several asset classes as well as any correlations between these asset classes, which may result in an amplification as well as in a neutralisation of any performance of the individual asset classes.

In such case, the return of the Bondholders may be less compared to a direct investment in one or several of the underlying assets of the multi-asset instrument.

2.2.3.2.9. Reset risk

In case of an event where the ETP(s) constituting the ETP Entitlement (i) can no longer be made available by the Issuer or (ii) are no longer available due to the ETP(s) reaching their maturity date (if any) or are otherwise cancelled or terminated (a "**Reset Event**"), the ETP Entitlement of the relevant Bonds shall be adjusted. This might result in a replacement of the ETP Entitlement for the relevant ETP(s) held as Deposited Underlying Assets with an ETP Entitlement consisting of (i) solely the additional exchange traded product(s) or (ii) the ETP(s) and the additional exchange traded product(s). Accordingly, the Issuer may in certain circumstances effect such adjustment, which might – although the Issuer is required to take into account the interests of the Bondholders – have a negative impact on the return for Bondholders of such Bonds.

2.2.3.2.10. ETPs as Underlying Assets not listed on a Regulated Stock Exchange

To the extent ETPs as Underlying Assets are not listed on a Regulated Stock Exchange but on a multilateral trading facility ("**MTF**") or an alternative trading system ("**ATS**"), this might have an impact on the liquidity in the ETP as Underlying Asset and, given that the liquidity of a Bond is inherently linked to the liquidity profile of the ETP as Underlying Asset, also on the liquidity of the Bond. Further, while price information on the ETP as Underlying Asset will in any case be available, it might be more difficult to obtain such pricing information compared to ETPs listed on a Regulated Stock Exchange. Accordingly, ETPs as Underlying Assets not listed on a Regulated Stock Exchange may be more difficult to sell.

Investors should be aware that a deterioration in liquidity and underlying market conditions will likely affect their ability to transact in any Security. This may adversely affect the price at which Bondholders are able to trade the Bonds in the secondary market and might result in Bondholders suffering a partial or even total loss as they cannot realise the full value of their investment.

2.2.3.2.11. Unlisted ETPs as Underlying Assets

To the extent ETPs as Underlying Assets are neither listed on a Regulated Stock Exchange nor on an MTF or an ATS, i.e. in case of unlisted collective investment undertakings, this might have an additional impact on the liquidity in the ETP as well as on further factors relevant for the market price formation of the ETP.

In particular, unlisted collective investment undertakings are susceptible to valuation risks, as unlisted collective investment undertakings are only priced by their respective administrator or issuer and lack of an independent market-driven price formation mechanism.

The administrator or issuer may also have various roles and responsibilities within the collective investment undertaking's structure.

Due to this dependency on the respective administrator's or issuer's discretion for the determination of the pricing and the administrator's or issuer's influence on the structure of the unlisted collective investment undertaking, potential conflicts of interest may arise which are not mandated against any conflicts policy of such administrator or issuer. These conflicts could affect the administrator's ability to act solely in the best interests of investors so that investors in the collective investment undertaking are subject to the risk of potential biases in asset pricing and valuation discrepancies. As the Bonds track the value of the collective investment undertaking as Underlying Asset, this may adversely affect the ability of Bondholders to determine the value of their investment as well as the price at which Bondholders are able to trade the Securities in the secondary market and might result in Bondholders suffering a partial or even total loss as they cannot realise the full value of their investment.

Investors in the collective investment undertaking have no alternative or independent means of verifying the accuracy of the published fair value of the unlisted mutual fund, its net asset value or any related pricing data. This results in risks not only relating to the orderly determination of the fair value, but also exposes investors in the collective investment undertaking to the risk of errors in price in calculations as well as general inaccuracies in pricing. As the administrator or issuer is the sole source of pricing information, investors in the collective investment undertaking are also subject to the risk that the administrator or issuer is not able or even willing to publish any pricing data at all. Should any of these risks realise in relation to the collective investment undertaking as Underlying Asset, Bondholders will not be able to correctly assess the value of the collective investment undertaking and, thus, of the Bonds and will be required to make decisions based on missing or inaccurate information. This might result in Bondholders suffering a partial or even total loss as they cannot realise the full value of their investment.

2.2.3.3. Risks specific to Indices as Underlying Assets

2.2.3.3.1. Risk in case of a Collateral Shortfall Event in case of an Index Rebalancing

In case of a rebalancing of the underlying Index (*i.e.* a change in the composition of the components of which the respective Index is comprised of (the "**Index Components**"), the Issuer will be required to reflect such rebalancing of the underlying Index in the Deposited Underlying Assets accordingly by executing rebalancing procedures, which include, without limitation, the withdrawals and transfers of units of the Index Components comprising the Deposited Underlying Assets to the eligible counterparties (as further specified in the Terms and Conditions). In connection therewith, it is possible that shortfalls of the Deposited Underlying Assets may occur.

In case that such shortfall of the Deposited Underlying Assets is caused by the execution of eligible rebalance procedures (as further specified in the Terms and Conditions) and manifests as a permanent shortfall ("**Collateral Shortfall Event**"), the required amount of the Deposited Underlying Assets will be adjusted for that shortfall by subtracting such shortfall from the previously applicable amount of Deposited Underlying Assets. Following such adjustment of the Deposited Underlying Assets, the Asset Entitlement will be adjusted accordingly to correspond to the amount of Deposited Underlying Assets divided by the number of Bonds outstanding. This will result in a diminishment of the Asset Entitlement for the relevant Series of Bonds corresponding to a decrease in the value of the respective Bondholders' redemption claim and, thus, the value of the Bonds. Should such Collateral Shortfall Event occur

repeatedly throughout the lifecycle of a Series of Bonds, the value of the Asset Entitlement may decrease more and more, resulting in a material loss of the respective Bondholders' investments.

2.2.3.3.2. The returns on the Bonds are not a direct investment in the Underlying Assets comprised in the applicable Index

The Bonds may be subject to a divergence of the performance of the Bonds from the performance of the respective underlying Index (a "**Tracking Error**"). In relation to Bonds linked to an Index, the Index Components of which also (or solely) include Cryptocurrencies, a Tracking Error may occur because one or several of the Cryptocurrencies which are actually included in the underlying Index itself have been qualified by the Issuer as cryptocurrencies, which are not supported by the Issuer (each, an "**Unsupported Cryptocurrency**") and which will therefore not be included in the respective basket of Index Components. In such case, there will be a difference in the components of the basket comprised of cryptocurrencies which are components of the underlying Index of the Bonds and the components of the Index itself.

A Tracking Error may also occur because of pricing differences, transaction costs incurred by the Issuer, fees and expenses incurred by the Issuer which the Index itself did not incur, changes to the respective underlying Index or the costs to the Issuer of complying with various new or existing regulatory requirements, among other reasons. Bondholders are therefore exposed to the risk that the performance of their investment in the Bonds deviates negatively from the performance of the underlying Index and that they therefore receive a lower return (if any) than in the case of a direct investment in the underlying Index. This risk may be heightened during times of increased market volatility or other unusual market conditions.

Prospective investors should also be aware that the Bonds will not precisely replicate the composition (and therefore the performance of) the relevant Index. When investing the assets, the Issuer may invest in Underlying Asset that do not fully correlate to the weighting of each Index Component in the Index. This is because the ability of the Issuer to effect a Rebalancing is dependent on (i) the price at which it is able to purchase and sell the relevant Underlying Assets affected by the Rebalancing; and (ii) the ability of the Depositary(ies) to support the relevant Underlying Assets. Therefore, the Underlying Assets held in respect of Bond linked to an Index may differ from the components of the relevant Index and may be afforded different weightings to those specified in the relevant Index. Any such divergence to the weightings and components of the Underlying Asset held will cause the level of the Index to diverge from the value of the Bonds. The return on the Bonds may therefore not reflect the return if the investor had actually owned the Underlying Assets comprised in the applicable Index and held such investment for a similar period and that they therefore receive a lower return (if any) than in the case of a direct investment in the underlying Index.

2.2.3.3.3. Index Performance

Prospective investors should note that the value of the Bonds will be linked to the performance of the relevant Index (before fees and expenses) and the Bonds will, as far as possible and practicable, consist of the Index Components that comprise that Index. Accordingly, prospective investors should be aware that the Bonds may be adversely affected by risks applicable to indices generally, as well as to market fluctuations in the price of the relevant Index Components comprised in that Index. The Bonds may trade differently from the performance of the Index and changes in the level of the Index may not result in a comparable change in the value of the Bonds.

The various risks on the performance of the Bonds may have a negative effect on the return for Bondholders who could suffer a partial or full loss of the Bondholders' investment.

2.2.3.3.4. Change in composition or discontinuance of the Index

The Index Sponsor may add, delete or substitute the Index Components that forms part of the Index or make other changes to the methodology for determining the asset(s) to be included in the Index or for valuing the Index.

The composition of the Index may therefore change over time to satisfy the eligibility criteria applicable to the Index or where asset(s) currently included in the Index fail to satisfy such criteria. Such changes

to the composition of the Index by the Index Sponsor may affect the level of the Index as a newly added asset may perform significantly worse or better than the asset it replaces. As the value of the Bonds is influenced by the composition of the Index, changes in the composition of the Index may therefore have an adverse effect on the value of the Bonds and changes in the methodology of the Index may constitute an Adjustment Event and/or result in a Disruption Event and/or cause the early redemption of the Bonds.

If the Index Sponsor discontinues or suspends calculation or publication of the Index or fails to calculate or publish the level of an Index, the Bonds will continue with no further amendments until the Index Sponsor continues or resumes calculation of the Index or an early redemption is carried out in respect of the Bonds.

Such changes to the composition, methodology or discontinuation of the Index may have an adverse impact on the return for Bondholders who could suffer a partial or full loss of the Bondholders' investment.

2.2.3.3.5. Rebalancing Risk

When the weights of each Index Components comprised in an Index are adjusted in accordance with the relevant index methodology, the Issuer will sell the Underlying Assets which form part of the Security for these Underlying Asset(s) in order to purchase different Underlying Assets in order to match, as far as reasonably practicable, the new weights of each Index Component comprised in the Index.

It may not always be reasonably practicable to match the new weights of each of the Index Components comprised in the Index, including (without limitation), in circumstances where the relevant Underlying Asset is not supported by theDepositary(ies) or there is a market disruption affecting the relevant Underlying Asset at the time of the respective Rebalancing.

Any such Rebalancing and the related execution costs may negatively impact the return for Bondholders as it may result in the value of the Bonds falling below the value of such Bonds at the time of its initial purchase and this might lead to a partial loss to a Bondholder, if a Bondholder is selling its Bonds at the time these events are taking place.

2.2.3.3.6. Conflict of Interest of the Index Sponsor

Investors should be aware that the Index Sponsor has had no regard to the interests of the Bondholders when creating any Index, and no Index Sponsor will be required to have a regard to the interests of the Bondholders when maintaining, modifying, rebalancing, reconstituting or discontinuing any Index. Actions taken by an Index Sponsor in respect of an Index may have an adverse impact on the value or liquidity of the Bonds. As such, Bondholders may receive less or substantially less than their initial investment.

2.2.4. Risks related to the admission of the Bonds to trading

2.2.4.1. The Bonds do not have an established trading market and an active trading market for the Bonds may not develop

Each Series of Bonds represent a new issue of securities for which there is currently no established trading market. Although the Issuer intends to obtain admission of the relevant Series of Bonds to trading on the regulated market of the Frankfurt Stock Exchange and may also apply to any further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated markets of any such stock exchange (such as, without limitation, the Warsaw Stock Exchange), there can be no assurance that a market for the relevant Series of Bonds will develop or, if it does develop, continue or that it will be liquid, thereby enabling investors to sell their Bonds when desired, or at all, or at prices they find acceptable or at prices which are expected due to a particular price of the Underlying Asset(s).

The specific risk is that Bondholders may not be able to sell Bonds readily or at prices that will enable investors to realise their anticipated yield.

2.2.4.2. Products listed on the regulated market of the Frankfurt Stock Exchange or any further stock exchange in the European Economic Area or in Switzerland may be suspended from trading

The Frankfurt Stock Exchange, the Warsaw Stock Exchange and other stock exchanges in the European Economic Area or in Switzerland provide for rules determining admissible securities. It cannot be excluded that during the lifetime of the Bonds, the Bonds are no longer admissible for reasons beyond the control of the Issuer. This may lead to the suspension or delisting of the Bonds. In such case, Bondholders may not be able to sell Bonds readily or at prices that will enable investors to realise their anticipated yield.

2.2.4.3. The trading price of the Bonds could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen (notwithstanding the fact that the Bonds are secured by actual holdings of the Underlying Asset(s)).

Even though the Bonds are secured by the actual holdings of the Underlying Asset(s), the materialisation of any of the risks regarding the Issuer can still result in the Issuer becoming less likely to be in a position to fully perform all of its respective obligations under the Bonds when they fall due (e.g. due to operational constraints). As a result, the market value of the Bonds may suffer. In addition, even if the Issuer is not actually less likely to be in a position to fully perform all of the obligations under the Bonds when they fall due, market participants could nevertheless have a different perception.

The specific risk is that if any of these risks occur, third parties would only be willing to purchase Bonds at a substantial discount relative to the price of the Underlying Asset(s), which in turn may result in a Bondholder's loss of the investment in the Bonds.

2.2.5. Taxation risks relating to the Bonds

2.2.5.1. Tax treatment of investment in the Bonds may differ from tax treatment of investment in the Underlying Assets

Tax treatment of an investment in the Bonds may be less favourable than a direct investment in the Underlying Asset for a wide range of investors. Investors considering investments in the Bonds shall seek independent legal, tax or investment advice in order to determine their potential tax liability (including but not limited to capital gains tax (*Kapitalertragsteuer*) and any tax declaration obligations).

2.2.5.2. Financial Transaction Tax and EU-wide tax on cryptoassets

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**"). According to the Commission`s Proposal, the FTT shall be implemented in certain EU Member States, including Germany (the "**Participating Member States**").

Pursuant to the Commission's Proposal, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Bonds should not be subject to the FTT.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 percent of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

The FTT remains subject to negotiation between the Participating Member States and was (and most probably will be) the subject of legal challenge. It may still be adopted and be altered prior to its adoption, the timing of which still remains unclear. Moreover, once any directive has been adopted (the "**Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate.

The specific risk is that the FTT may result in a negative tax treatment applied to the Bonds which in turn may result in a Bondholder's loss of investment in the Bonds. Therefore, potential investors should consult with their tax advisors with regard to the tax treatment in this context if investing in the Bonds.

In this respect, it should finally be noted that the European Parliament in a resolution adopted on May 10, 2023 called for new own sources of income, including *inter alia* a FTT and a tax on cryptocurrencies so that further developments in this area should be closely monitored.

2.2.5.3. Tax risk related to the underlying Cryptocurrency

The taxation of the underlying Cryptocurrency and associated companies can vary significantly by jurisdiction and is subject to significant revisions. The status of the underlying Cryptocurrency remains undefined. Accordingly, the way in which the underlying Cryptocurrency are taxed varies from country to country. Before making a decision to invest in the Bonds, investors should consult their local tax advisor on matters of taxation.

The Issuer may become exposed to significant tax risk. Any major burden may hinder Issuer's ability to maintain the listing of the Bonds and, in the event that such tax burden results in insolvency, to otherwise continue to operate as expected. Additionally, materialisation of certain tax risks may result in the Issuer giving a Mandatory Redemption Notice (such risks are further described under 2.2.1.11. "*The Bonds are subject to early redemption rights of the Issuer. Bondholders may have a lower than expected yield and are exposed to the risks connected with any reinvestment of proceeds received as a result of such early redemption*").

3. IMPORTANT NOTICE

This Base Prospectus has been approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**Bafin**") in its capacity as competent authority under the Prospectus Regulation.

Bafin only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.

Further, such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this Base Prospectus.

By approving this Base Prospectus, Bafin assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer.

Investors should make their own assessment as to the suitability of investing in the Bonds.

The Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference and, in relation to any issue of a Series of Bonds, with the relevant Final Terms.

The value of the amounts payable under the Bonds may be calculated by reference to an underlying Index consisting of various Underlying Assets provided by registered benchmark administrators. The Final Terms of the Bonds may set out specific (updated) information in relation to the index, the benchmark administrator such as whether the relevant benchmark administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011, as amended ("**Benchmarks Regulation**"), whether a public notice pursuant to Article 24a(6) of the Benchmarks Regulation is included in the register, and related information for the respective issue of the Bonds.

Bonds issued under this Base Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Bonds are being offered outside the United States of America (the "**United States**" or "**U.S.**") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Base Prospectus may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The validity of this Base Prospectus will expire at the end of 20 May 2027. There is no obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies if a base prospectus is no longer valid.

The Final Terms in respect of any Series of Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of each Series of Bonds and which channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of each Series of Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any dealer subscribing for any Bonds is a manufacturer in respect of such Bonds, but otherwise neither any dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

If the Final Terms in respect of any Series of Bonds include a legend in the context of any prohibition to make an offer of Bonds to retail investors in certain jurisdiction(s), such Bonds (the "**Retail-Restricted Bonds**") are not intended to be offered and shall not be offered to any retail investor in such jurisdiction(s). For these

purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), respectively, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering Retail-Restricted Bonds in such jurisdiction(s) has been prepared and therefore offering the Retail-Restricted Bonds to any retail investor in such jurisdictions may be unlawful under the PRIIPs Regulation or other applicable provisions.

Investment and redemption restrictions

Prospective investors should satisfy themselves that an investment in a Series of Bonds would comply with any laws, regulations or guidelines applicable to them and would be in line with their individual investment objectives, especially in regard of a redemption of the Bonds by way of delivery of the underlying Cryptocurrency. If a Bondholder is unable to receive the Underlying Asset or any or all of the Underlying Assets comprising the Index (such as Undertakings for Collective Investment in Transferable Securities (UCITS) within the meaning of Article 1 of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 in case of Cryptocurrencies), the Bonds will not be redeemed by delivery of the Underlying Assets. Instead, the Terms and Conditions provide the possibility of the Bondholders to opt for a cash settlement and for a mechanism, according to which the Bonds will be redeemed by selling units of the relevant Underlying Assets using the Asset Execution Procedure and by making available the cash proceeds of such divestment to the relevant Bondholder (for a detailed description, see *section 13.2.13. – Redemption of the Bonds*). If any prospective investor is in any doubt with regard to its ability to invest in the Bonds or to receive units of the relevant Underlying Asset, it should consult a professional advisor prior to making an investment.

The Bonds may not be a suitable investment for all investors

Each potential investor in a Series of Bonds must determine the suitability of its investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Series of Bonds, the merits and risks of investing in a Series of Bonds and the information contained or incorporated by reference in this Base Prospectus and the Final Terms relating to such Series of Bonds;
- have access to and knowledge of appropriate analytical tools to evaluate (in the context of its particular financial situation and the investment(s) it is considering) investing in a Series of Bonds and the impact the investment in such Series of Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of investing in a Series of Bonds;
- understand thoroughly the terms of a Series of Bonds and be familiar with the financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The specific risk is that if investing in a Series of Bonds turns out to be not a suitable investment for such investor, due to the factors set out above, such investor may suffer a substantial loss (including a total loss) which may negatively impact its overall investment strategy.

In this Base Prospectus, all references to"**Euro**" or "**EUR**" are to the lawful currency of the member states of the European Union that have adopted and retained a common single currency through monetary union in accordance with European Union treaty law, as amended from time to time, all references to "**dollars**", "**USD**", "**US dollars**", "**U.S.$**" "**United States dollars**" or "**$**" are to the currency of the United States, all references to "**BTC**" are to Bitcoin, a cryptocurrency and worldwide payment system, released as an open-source software in 2009 and displayed on https://bitcoin.org/en/, all references to "**BCH**" are to Bitcoin Cash, a cryptocurrency and worldwide payment system which was created in 2017 by a hard fork from the Bitcoin network, and displayed on https://www.bitcoincash.org/, all references to "**AAVE**" are to Aave, the open-source and non-custodial liquidity protocol for earning interest on deposits and borrowing assets, and displayed on https://aave.com/, all references to "**ALGO**" are to Algorand, the open-source blockchain designed to outcome challenges or security, scalability and decentralisation, and displayed on https://www.algorand.com/, all

references to "**APT**" are to Aptos, a Layer 1 Proof-of-Stake blockchain designed to deliver high transaction speeds and improved security using the Move programming language and displayed on https://aptosfoundation.org, all references to "**AVAX**" are to Avalanche, a platform for launching decentralised finance (DeFi) applications, financial assets, trading and other services, and displayed on https://www.avax.network/, all references to "**BNB**" are to Binance Coin, the native cryptocurrency of the Binance cryptocurrency exchange and utilised to pay exchange fees for a discount, and displayed on https://www.binance.com/en, all references to "**ADA**" are to Cardano, an open-source project designed to be a decentralised application (DApp) development platform, and displayed on https://cardano.org/en, all references to "**LINK**" are to Chainlink, a decentralised oracle network which aims to connect smart contracts with data and services from the real world that exist outside of blockchain networks, and displayed on https://chain.link/, all references to "**ATOM**" are to Cosmos, a protocol designed to create a network of crypto networks for streamlining transactions and interoperability, and displayed on https://cosmos.network/, all references to "**EOS**" are to EOS, the decentralised blockchain designed to create, host and support secure, decentralised applications (DApps), and displayed on https://eos.io/, all references to "**ETH**" are to Ethereum which was created in 2015 and displayed on https://ethereum.org/en/eth/, all references to "**ETC**" are to Ethereum Classic, the forked version of Ethereum, and displayed on https://ethereumclassic.org/, all references to "**FIL**" are to Filecoin, an open-source decentralised storage system, and displayed on https://filecoin.io/, all references to "**ICP**" are to Internet Computer, a blockchain network that evolves the internet, and displayed on https://dfinity.org/, all references to "**LTC**" are to Litecoin, a BTC spin-off starting in 2011 and displayed on https://litecoin.org/, all references to "**MKR**" are to MakerDAO, a cryptocurrency built on the Ethereum blockchain that allows users to create collateralised debt positions and use specific cryptocurrencies as collateral, and displayed on https://makerdao.com/en/, all references to "**NEAR**" are to NEAR Protocol, the blockchain designed for AI-driven automation, secure transactions and scalable decentalized apps, and displayed on https://www.near.org/, all references to "**DOT**" are to Polkadot, an open-source multichain protocol, and displayed on https://polkadot.network/, all references to "**MATIC**" are to Polygon, an interoperability and Layer 2 scaling framework for building Ethereum-compatible blockchains, and displayed on https://polygon.technology/, all references to "**SOL**" are to Solana, a web-scale blockchain that provides fast, secure, scalable, decentralised applications, and displayed on https://solana.com/, all references to "**XTZ**" are to Tezos, an open-source self-upgradable blockchain platform for creating and hosting decentralised applications (DApps) and assets, and displayed on https://tezos.com/, all references to "**XLM**" are to Stellar, an open network for storing and moving money, and displayed at https://www.stellar.org/?locale=en, all references to "**UNI**" are to Uniswap, a decentralised finance protocol that is used to exchange cryptocurrencies, and displayed on https://uniswap.org/, and all references to "**XRP**" are to Ripple, displayed on https://ripple.com/xrp/.

4. RESPONSIBILITY STATEMENT

Bitwise Europe GmbH with its registered office at Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany accepts responsibility for the information contained in this Base Prospectus and declares to the best of its knowledge that the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus makes no omission likely to affect its import.

5. DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus contains forward-looking statements. Forward-looking statements provide the Issuer's current expectations or forecasts of future events. Forward-looking statements include statements about the Issuer's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate", "expect", "intend", "plan", "potential", "predict", "project" or "will", may identify forward-looking statements, statements regarding the Issuer's disclosure concerning its operations, cash flows, capital expenditure and financial position.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. All forward-looking statements in this Base Prospectus speak only as of the date of this Base Prospectus, reflect the Issuer's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuer's operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this Base Prospectus which could cause actual results to differ before making an investment decision. All of the forward-looking statements made in this Base Prospectus are qualified by these cautionary statements. The Issuer undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or individuals acting on behalf of the Issuer are expressly qualified in their entirety by this paragraph.

6. CONSENT TO THE USE OF THE BASE PROSPECTUS

Each financial intermediary (including Authorised Participants) subsequently reselling or finally placing a Series of Bonds - if and to the extent this is so expressed in the Final Terms relating to a particular Series of Bonds - is entitled to use this Base Prospectus in Austria, Croatia, Czechia, Cyprus, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and Switzerland (in accordance with Article 36(4)(b) FinSA for a Swiss non-exempt Offer of the Bonds) for the subsequent resale or final placement of the Bonds comprised in such Series of Bonds during the relevant offer period (as set out in the relevant Final Terms) during which a subsequent resale or final placement of the Bonds can be made, provided however, that this Base Prospectus is still valid in accordance with the Prospectus Regulation. The Issuer accepts responsibility for the information given in this Base Prospectus also with respect to such subsequent resale or final placement of the Bonds.

The Issuer's consent to use this Base Prospectus for the subsequent resale or final placement of Bonds by the financial intermediaries may be restricted to certain jurisdictions and subject to conditions as stated in the relevant Final Terms. For Swiss Non-exempt Offers, the Issuer's consent to use this Base Prospectus for the subsequent resale or final placement of Bonds by the financial intermediaries may also be given in writing or in another form demonstrable via text (in accordance with Article 45 of the Swiss Federal Financial Services Ordinance (FinSO)).

This Base Prospectus and the relevant Final Terms may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to this Base Prospectus will be available for viewing in electronic form on the website of the Issuer (https://bitwiseinvestments.eu/) and on the website of the European Securities and Markets Authority (https://www.esma.europa.eu).

When using this Base Prospectus and the relevant Final Terms, each financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by a financial intermediary, such financial intermediary shall provide information to investors on the Terms and Conditions of a Series of Bonds at the time of that offer.

Any financial intermediary using this Base Prospectus shall state on its website that it uses this Base Prospectus and the relevant Final Terms in accordance with this consent and the conditions attached to this consent.

7. LISTING AND TRADING

Application may be made for each Series of Bonds to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange, a regulated market for the purposes of MiFID II.

Application may also be made to any other/further stock exchange in the European Economic Area for the Bonds to be admitted to trading on the regulated market of any such stock exchange, e.g. on the regulated market of the Warsaw Stock Exchange.

Application may also be made to any Swiss trading venue in the sense of the FMIA for the Bonds to be admitted to trading on any such Swiss trading venue.

Further, Bonds to be issued under this Programme may not be admitted to trading on the regulated market of any stock exchange at all.

Whether or not application may be made for a specific Series of Bonds to be admitted to trading on one or more stock exchanges as well as the respective stock exchanges, on which application will be made for the respective Bonds to be admitted to trading on the regulated market (if any), as well as the respective date for such application, will be specified in the relevant Final Terms.

8. REASONS FOR THE OFFER AND USE OF PROCEEDS

In the primary market, the Bonds will be initially purchased by Authorised Participants from the Issuer either with the Underlying Asset(s) or, subject to the provisions set out in the operating procedures manual, as amended from time to time, which is made available by the Issuer to the Authorised Participant upon request (the "**Operating Procedures Manual**"), against payment in cash or assets other than the Underlying Asset(s) qualifying as Eligible Programme Underlyings (the "**Eligible Subscription Assets**"), in each case as set out in Condition 3 of the General Terms and Conditions and further specified in the respective Operating Procedures Manual.

Units of the Underlying Asset(s) directly received by the Issuer through the subscription of the Bonds will be transferred, less any subscription fees charged by the Issuer, to the Secured Custody Account. Cash amounts or Eligible Subscription Assets received for the subscription will be exchanged into an amount of Underlying Asset(s) corresponding to the market value of the respective Eligible Subscription Asset(s) or the relevant fiat currency by an execution agent and will then be transferred, less any subscription fees charged by the Issuer or other fees incurred in the exchange process, to the Secured Custody Account as well.

The Issuer's rights and claims in connection with the Secured Custody Account will be assigned by a security agreement for the benefit of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed).

The Issuer intends to make profits with the issue of the Bonds. The Issuer makes profit (i) through charging subscription fees, certain redemption fees, ongoing fees corresponding to the Diminishing Entitlement Rate (as specified in the relevant Final Terms in relation to each Series of Bonds) on the Units of the Underlying Assets received as proceeds for the subscription of the Bonds (either directly or through exchange of cash amounts or Eligible Subscription Assets received) and deposited in the Secured Custody Account in relation to each Series of Bonds as well as (ii) by withholding of a certain proportion of profits or benefits received in connection with the holding or utilization of the Underlying Assets (as specified in the relevant Final Terms in relation to each Series of Bonds) (together, the "**Revenue Generating Activities**").

Under the intercompany agreement between the Issuer and BEM, BEM has the right to charge the Issuer for its services to the Issuer with up to 100 per cent. of the Issuer's gross revenues, which are calculated as (i) the sum of all fees charged by and income accrued by the Issuer in connection with the issuance of the Bonds and in accordance with the Terms and Conditions of the respective Series of Bonds, irrespective of manner of payment, including in particular the Revenue Generating Activities minus (ii) all properly incurred expenses related to the marketing and promotion of the Bonds (excluding fees of the directors of the Issuer).

Accordingly, unless otherwise specified in the relevant Final Terms relating to a Series of Bonds, the net proceeds from each issue of Bonds by the Issuer will primarily be used to finance general corporate purposes in the form of payments to BEM and, to the extent that amounts of the net proceeds remain with the Issuer after the respective payments to BEM, business development of the Issuer. If, in respect of any particular issue of Bonds, there exists a particular identified use of proceeds other than using the net proceeds for such purposes, then this will be stated in the relevant Final Terms.

9. NOTIFICATION

The Issuer has requested Bafin to provide the competent authorities in the Republic of Austria ("**Austria**"), the Republic of Croatia ("**Croatia**"), the Republic of Cyprus ("**Cyprus**"), the Czech Republic ("**Czechia**"), the Kingdom of Denmark ("**Denmark**"), the Republic of Estonia ("**Estonia**"), the Republic of Finland ("**Finland**"), the French Republic ("**France**"), the Hellenic Republic ("**Greece**"), the Republic of Ireland ("**Ireland**"), the Republic of Italy ("**Italy**"), the Grand Duchy of Luxembourg ("**Luxembourg**"), the Republic of Malta ("**Malta**"), the Kingdom of the Netherlands ("**The Netherlands**"), the Kingdom of Norway ("**Norway**"), the Republic of Poland ("**Poland**"), the Portuguese Republic ("**Portugal**"), Romania, the Slovak Republic ("**Slovakia**"), the Republic of Slovenia ("**Slovenia**"), the Kingdom of Spain ("**Spain**") and the Kingdom of Sweden ("**Sweden**") with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

10. AUTHORISATION

The establishment of the Programme and the issuance of any Series of Bonds under this Base Prospectus have been authorised by a resolution of Bitwise Europe GmbH dated 13 May 2026.

11. GENERAL INFORMATION ABOUT THE ISSUER

11.1. GENERAL INFORMATION

The Issuer's legal name is Bitwise Europe GmbH.

The Issuer is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organised and existing under the laws of Germany, with its registered office in Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany and registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 116604.

The Issuer was founded on 27 August 2019 with the initial company name ETC Issuance GmbH. In October 2024, ETC Issuance GmbH changed its company name to Bitwise Europe GmbH. As a special purpose vehicle which has been established primarily for the issuance of the Bonds, the Issuer does not conduct any operational business except for the activity as described below (see 11.3. "*Principal Activities and Expected Financing of the Issuer*").

The Issuer has no employees except for the three managing directors.

The Issuer's Legal Entity Identifier (LEI) is 875500BTZPKWM4X8R658.

The website of the Issuer is https://bitwiseinvestments.eu/ and the phone number is +49 69 8088 3728.

The Issuer does not carry out crypto-custody-business within the meaning of Section 1 (1a) sentence 2 no 6 of the German Banking Act ("**KWG**") and does therefore not require a banking license pursuant to Section 32 KWG. While the Bonds are secured with the underlying Cryptocurrency or the underlying Cryptocurrency comprising an Index, the Issuer itself does not safekeep, administer and/or protect cryptographic values or private cryptographic keys for others. Such function is instead performed by the Depositary.

11.2. CORPORATE PURPOSE

Pursuant to Section 2 of the Issuer's articles of association, the objective of the Issuer is the administration of its own assets. The Issuer may conduct all transactions directly related to the object of its business. It may also hold shares in other companies with the same or similar objectives, acquire, establish or sell such shares and establish branches.

11.3. PRINCIPAL ACTIVITIES AND EXPECTED FINANCING OF THE ISSUER

The main activity of the Issuer is the issue of bonds which are secured by various underlying assets which qualify as Eligible Programme Underlyings, such as, *inter alia*, shares, indices, exchange traded products (such as funds and debt securities) and cryptocurrencies.

Subject to the specific terms and conditions of a Series of Bonds, the Issuer may be permitted to utilize the Underlying Assets for certain business activities, such as staking and decentralized finance activities as well as covered call and leverage strategies (see 13.2.6. "*Staking*", 13.2.8. "*DeFi Activities*", 13.2.10. "*Covered Calls*" and 13.2.11. "*Leveraged Exposure*"). In connection therewith, the Issuer uses the services of services providers such as a Staking Provider and an Investment Manager.

Through the issue of such bonds, the Issuer intends to satisfy investor demand for tradeable securities through which an investment in the Eligible Programme Underlyings can be made.

The principal markets in which the Issuer competes with such bonds will be Germany, Austria, Croatia, Czechia, Cyprus, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and Switzerland.

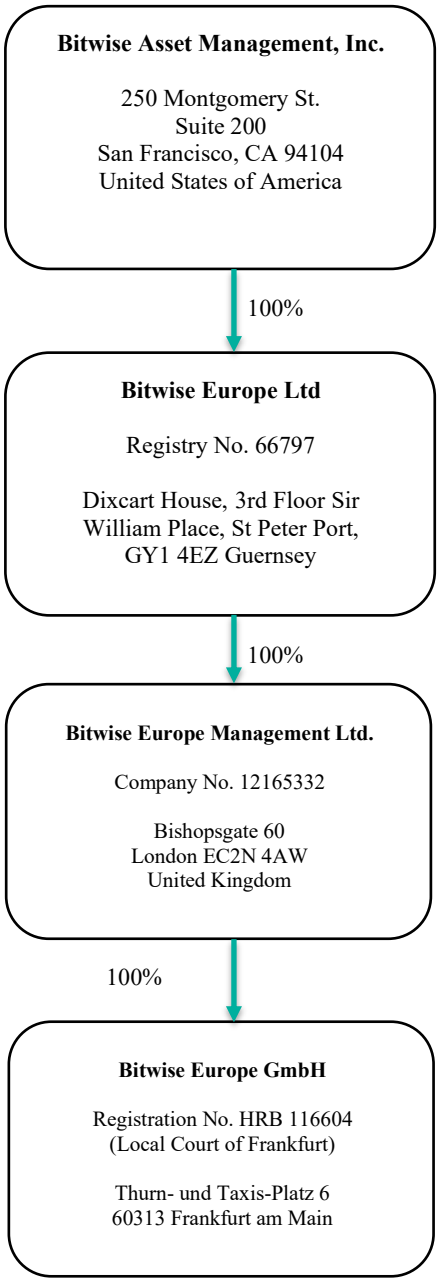
The Issuer expects to finance its activities by the issue of such bonds through charging subscription fees, certain redemption fees, withholding of a certain proportion of profits or benefits received in connection with the holding or utilization of the Underlying Assets as well as ongoing fees (as specified in the relevant Final Terms in relation to each Series of Bonds) on the units of the Underlying Assets

received (either directly or through exchange of cash amounts or Eligible Subscription Assets received) as proceeds for the subscription of such bonds.

11.4. ORGANISATIONAL STRUCTURE

The Issuer is a wholly-owned subsidiary of Bitwise Europe Management Ltd ("**BEM**"). The Issuer does not have any subsidiaries of its own. It is a special purpose vehicle that has been established primarily for the issuance of securities and is expected to be treated as a tax resident of the United Kingdom. Due to the Intercompany Agreement between the Issuer and BEM, the Issuer is dependent on BEM in relation to certain accounting, management and administration tasks provided by BEM for the Issuer. Other than that, the Issuer is not contractually or otherwise dependent upon other companies within the group of which the Issuer forms part (the "**Bitwise Group**").

The following chart provides an overview of the structure of the Bitwise Group as of the date of this Base Prospectus:



As mentioned above, the Issuer's sole shareholder is BEM (see also 11.10. "*Major Shareholders*"). BEM, with its registered office at 60 Bishopsgate, London EC2N 4AW, United Kingdom, has a management agreement in place with the Issuer to handle the general management of operations, relationships with partners and coordinating marketing activity.

Bitwise Europe Ltd, Dixcart House, Sir William Place, St Peter Port, GY1 4EZ, Guernsey is BEM's sole shareholder.

Bitwise Europe Ltd, is wholly-owned by Bitwise Asset Management, Inc., 250 Montgomery St., Suite 200, San Francisco, CA 94104, USA (the "**Holding Company**").

The table below shows the major shareholders of the Holding Company with voting shares of more than 10 percent as of the date of this Base Prospectus:

Shareholder	**Percentage of voting shares**	**Further Information**
Hong Kim	10.04 percent	Co-founder of the Bitwise Group. Hong Kim is the Chief Technology Officer of Bitwise and has served in such capacity since Bitwise's inception. Prior to Bitwise, he was a student at the University of Pennsylvania, where he graduated with a Bachelor of Science in Computer Science in 2016. While at school, Mr. Kim also worked on Google's back-end infrastructure for Drive. From 2011-2013, Kim took time off from university to work in software security for the South Korean military.

11.5. MANAGEMENT BOARD

Currently, the Issuer's management board consists of three managing directors. The current managing directors of the Issuer are:

Name	**Occupation**
Leyla Sharifullina	Managing Director
Paul "Teddy" Fusaro	Managing Director
Bradley Wayne Duke	Managing Director

Leyla Sharifullina joined Bitwise Group at the early stages of the group of which the Issuer forms part (as displayed in the chart above under 11.4. "*Organisational Structure*") and played an essential role during the launch of the Issuer's first bond, the Bitwise Physical Bitcoin ETP (BTCE) (initially BTC_{ETC} Physical Bitcoin ETC), as well as in designing the operational structure of the Issuer. Leyla has spent her career in financial services as well as real estate industries. She worked in various investment banks in Moscow and Cyprus from 2003 until 2013 and in international real estate development company Raven Property Group from 2014 until 2019 where she held a dual role of senior analyst and structured finance management.

Leyla Sharifullina holds two masters degrees with honours in management and law from Kazan Federal University and is a CFA® charterholder since 2013.

Paul "Teddy" Fusaro, is the President of the Holding Company. Prior to his employment at the Holding Company, Mr. Fusaro was Senior Vice President and Head of Portfolio Management and Capital Markets at IndexIQ, the ETF issuer unit of New York Life Investment Management, a firm with over

$550 billion in AUM, from 2013 to 2018. In this capacity he oversaw portfolio management, trading, and operations for a suite of alternative strategy Exchange Traded Funds, Mutual Funds, and Separately Managed Accounts. Prior to that, Mr. Fusaro was Vice President of Portfolio Management and co-head of Trading and Operations at Direxion Investments, a $13 billion AUM alternative ETF Sponsor, from 2009 to 2013. Earlier in his career, Mr. Fusaro spent time in both equity derivatives and credit derivatives at Goldman Sachs & Co. Since 2022, Mr. Fusaro has served as the Chairman of the Board of Trustees of Bitwise Funds Trust.

Bradley Duke has spent most of his career in the regulated financial services industry. He worked at investment bank Jefferies at their offices in New York, Paris and London from 2000 until 2008 and at the equities broker KCG in London from 2008 until 2012 where he headed the team at Knight Direct Europe. Bradley co-founded the fin-tech and payments company Zapper and until recently was co-CEO of the UK branch of investment bank, BCS Global Markets. Bradley Duke holds a bachelor degree in economics from the University of Cape Town, an MBA from Vrije Universiteit Brussels and completed the Blockchain Strategy Program at the University of Oxford – Saïd Business School in 2018. He is also a founding member of the London Blockchain Foundation.

The managing directors can be contacted at Bitwise Europe Management Ltd, 60 Bishopsgate, London EC2N 4AW, United Kingdom.

11.6. SHARE CAPITAL

The registered share capital of the Issuer amounts to EUR 25,000. The share capital has been fully paid up. The shares were created under German law. The shares carry the right to receive notice of, attend to and cast votes at all general meetings of the Issuer, whereby each share carries one voting right. Holders of the shares are entitled to receive a profit participation *pro rata* to their shareholdings, subject to a resolution of the general meeting relating to the distribution of profits. In connection therewith, all outstanding shares of the Issuer carry the same rights and obligations.

11.7. FISCAL YEAR

The fiscal year of the Issuer is the calendar year.

11.8. AUDITORS

For the financial year ended 31 December 2023 and the financial year ended 31 December 2024, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, with their registered office at Cecilienallee 6-7, 40474 Düsseldorf, Germany are the statutory auditors of the Issuer. Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft is a member of the German chamber of public accountants (*Wirtschaftsprüferkammer*).

11.9. RATING

The Issuer has not been rated.

11.10. MAJOR SHAREHOLDERS

The Issuer's sole shareholder is BEM. The sole shareholder of BEM is Bitwise Europe Limited. The sole shareholder of Bitwise Europe Limited is the Holding Company.

No natural persons directly or indirectly, via the Holding Company, own a shareholding above 25% in the Issuer and there are no known natural persons that otherwise control the Holding Company.

11.11. CONFLICTS OF INTEREST

Paul "Teddy" Fusaro and Bradley Duke, directors of the Issuer, are also directors of BEM.

These directors of the Issuer, as well as all employees of the Holding Company and other affiliates of the Bitwise Group, are subject to Bitwise Group's code of conduct and corresponding policy on conflicts of interest.

Accordingly, these directors of the Issuer and BEM owe independent fiduciary duties to act in the best interests of each of the Issuer and BEM, however not in the general interest of the Bitwise Group as such.

Despite this, potential conflicts of interest between duties to the Issuer and the private interests or duties to BEM of these directors of the Issuer cannot be excluded and could exist due to their respective position in view of the substantial influence represented by the shareholder shares at BEM (i.e. the sole shareholder of the Issuer) and all such possible director conflicts have been notified to the respective companies.

11.12. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

If not specified otherwise in the Final Terms for a Series of Bonds, there are no material interests, in particular, no potential material conflicts of interest with service providers or in relation to the public offering or the admission to trading of the Bonds.

11.13. MATERIAL CONTRACTS

There are no agreements or contracts, which are entered into outside of the ordinary course of the business of the Issuer, which are material to the Issuer's ability to meet its obligations to Bondholders.

11.14. TREND INFORMATION

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

11.15. MATERIAL ADVERSE CHANGE IN THE PROSPECTS

There has been no material adverse change in the prospects of the Issuer since 31 December 2024, the date of its last published audited financial information.

11.16. SIGNIFICANT CHANGE IN THE FINANCIAL PERFORMANCE

There has been no significant change in the financial performance of the group of which the Issuer forms part since 30 June 2025, i.e. the end of the last financial period for which (unaudited) financial information has been published to the date of this Base Prospectus.

11.17. SIGNIFICANT CHANGE IN THE FINANCIAL POSITION

There has been no significant change in the financial position of the group of which the Issuer forms part since 30 June 2025, i.e. the end of the last financial period for which (unaudited) financial information has been published to the date of this Base Prospectus.

11.18. BORROWING AND FUNDING

There have been no material changes in the borrowing and funding structure of the Issuer since 31 December 2024.

11.19. LEGAL AND ARBITRATION PROCEEDINGS

During the previous 12 months, there have been no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and/or the group.

11.20. RECENT EVENTS

There have been no relevant recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

12. HISTORICAL FINANCIAL INFORMATION

The Issuer was incorporated on 27 August 2019.

The Issuer's annual financial statements as of 31 December 2023 and 31 December 2024 (together, the "**Annual Financial Statements**") as well as the Issuer's interim financial statements as of 30 June 2025 (together with the Annual Financial Statements, the "**Financial Statements**") are incorporated into this Base Prospectus by reference (see also 23.1. "*Incorporation by Reference*").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted in the European Union (the "**EU**").

The Annual Financial Statements have been audited and an unqualified auditor's report has been issued. The Issuer's interim financial statements as of 30 June 2025 have neither been audited nor been reviewed by the auditors of the Issuer.

The fiscal year of the Issuer commences on 1 January and ends on 31 December.

The next financial statements of the Issuer will be prepared as of and for the year ended 31 December 2025.

13. GENERAL DESCRIPTION OF THE BONDS

13.1. DIAGRAM ON SUBSCRIPTION, PURCHASE, SALE AND SECURITY

Diagram 1a: Bonds' Subscription, Redemption, Purchase & Sale – PRIMARY and SECONDARY Market

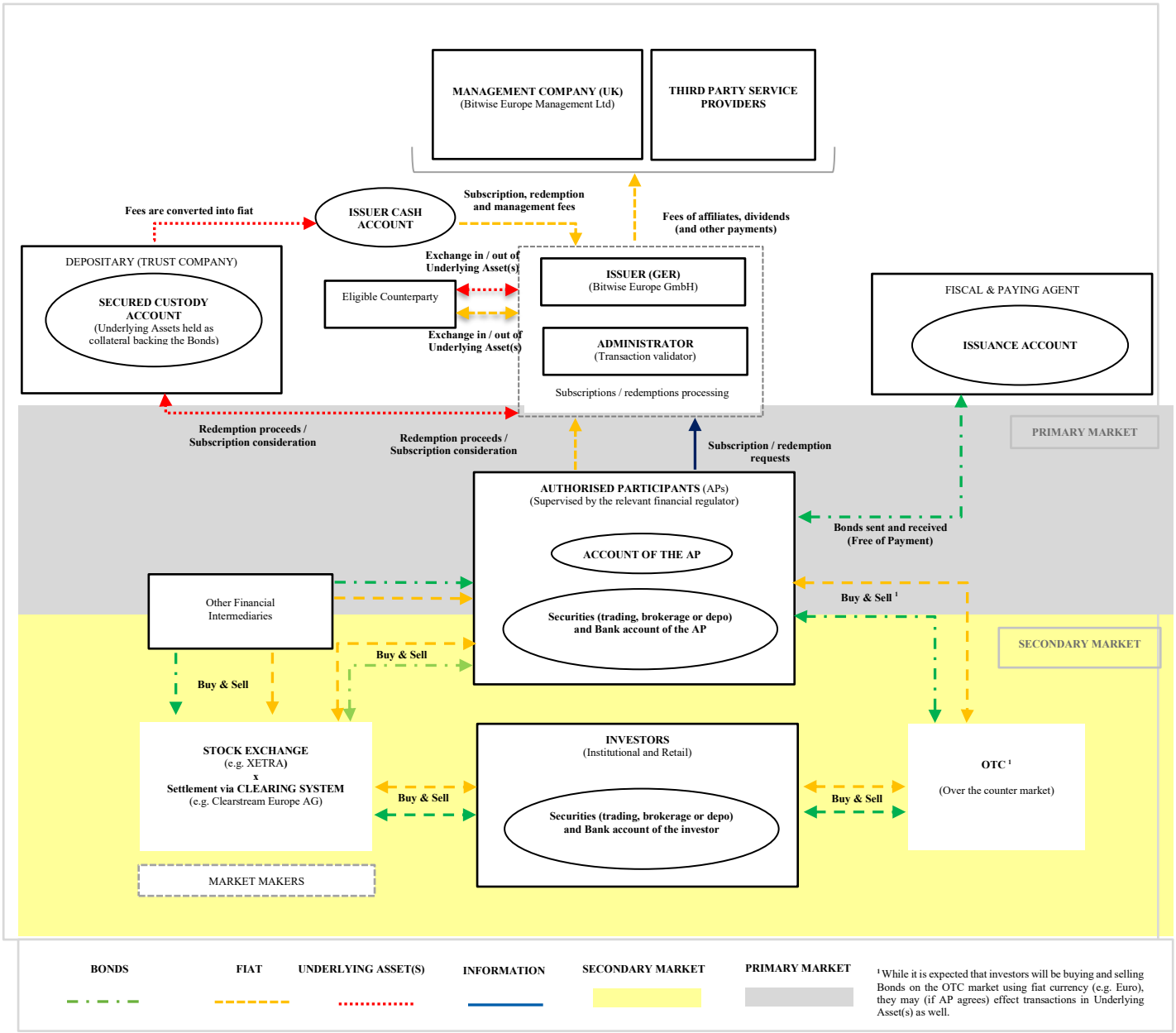
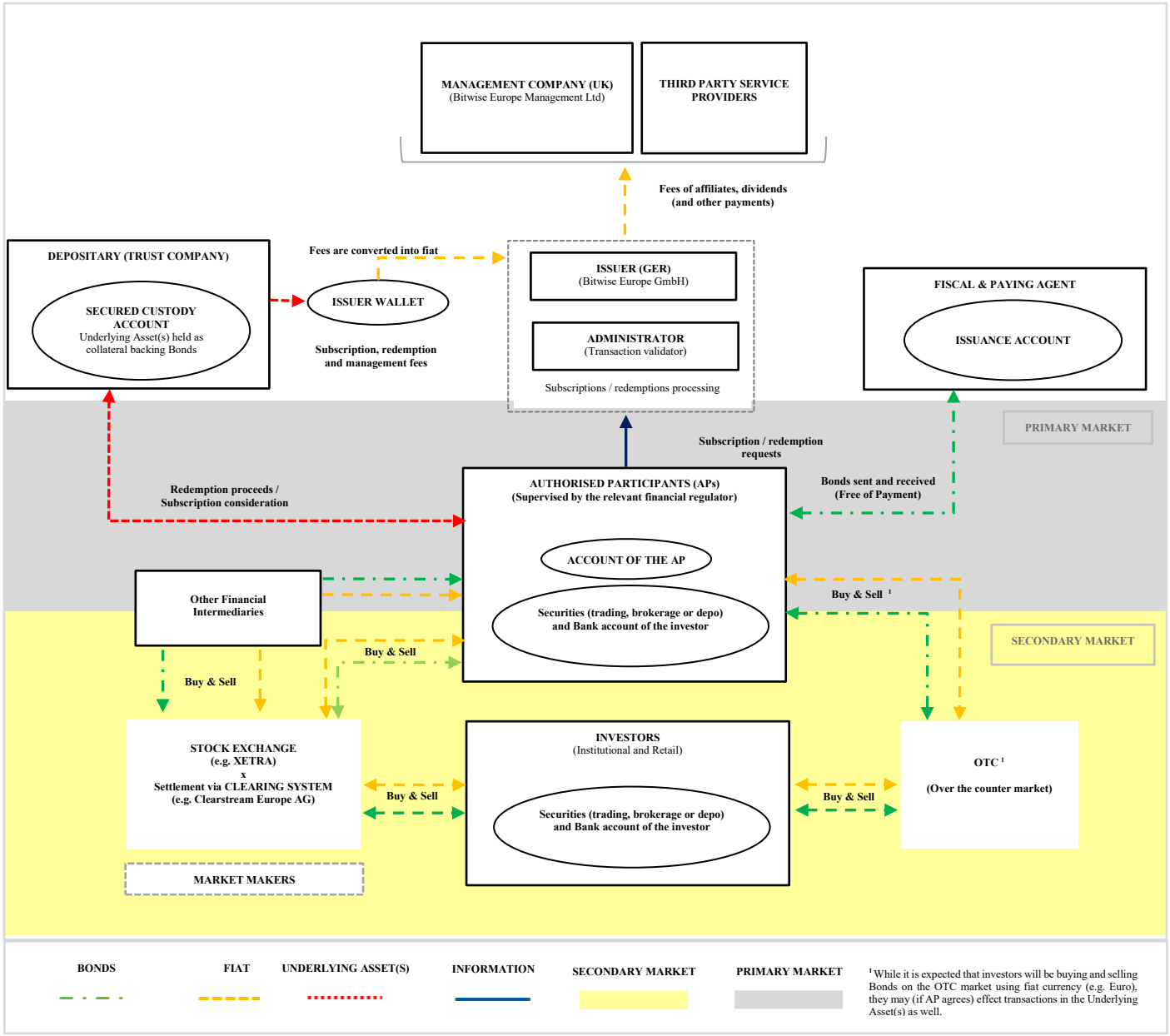


Diagram 1b: Bonds' Subscription, Redemption, Purchase & Sale – PRIMARY and SECONDARY Market for Continuously Offered Bonds



As shown in the diagram above, each prospective investor, who is not an Authorised Participant, cannot purchase the Bonds directly from the Issuer in the primary market. Such investors may buy the Bonds (i) directly from an Authorised Participant or (ii) via the relevant Stock Exchange or (iii) over the counter. The respective means to subscribe for or purchase the Bonds (as further explained in section 13.2.1. "*Form of Bonds, Status*") are as follows:

(a) <u>No purchase directly from the Issuer</u>

An investor cannot purchase the Bonds directly from the Issuer in the primary market. Initially, in the primary market, the Bonds may only be subscribed for or purchased by Authorised Participants.

Once the Bonds have been subscribed for or purchased in the primary market by Authorised Participants, Authorised Participants may proceed to sell the Bonds so purchased in the secondary market on an anonymous basis (i) via the relevant Stock Exchange (in case of Bonds admitted to trading on a stock exchange) or (ii) over the counter. Alternatively, Authorised Participants may also directly contact their own clients for a sale/purchase of the Bonds.

Accordingly, following the issuance of the Bonds and the purchase by an Authorised Participant in accordance with the procedures set out above, investors, who are not Authorised Participants, have two means to invest in the Bonds:

(i) Purchase via Stock Exchange or from any party in the secondary market

Investors may purchase the Bonds in the secondary market from any person on an anonymous basis (i) via the relevant Stock Exchange (in case of Bonds admitted to trading on a stock exchange) or (ii) over the counter. Bonds can be purchased by prospective investors with any accepted currency, depending on the respective trading venue.

(ii) Purchase directly from Authorised Participants

Authorised Participant may also contact their clients directly. In such case, the Bonds may be purchased directly from Authorised Participants in both Underlying Asset(s) and fiat-currency, depending on which kind of currency is accepted by the relevant Authorised Participant. Each Authorised Participant may charge a subscription fee from the purchasing investor at its own discretion.

13.2. DESCRIPTION OF THE BONDS

13.2.1. Form of Bonds, Status

Bonds issued under this Base Prospectus are issued under German law, are debt securities (*Schuldverschreibungen*) within the meaning of Section 793 of the German Civil Code (*Bürgerliches Gesetzbuch*) and are being issued in bearer form. The Bonds do not provide for interest payments and do not have a fixed maturity date. The obligations under the Bonds constitute direct, unsubordinated and secured obligations of the Issuer ranking pari passu among themselves. The Bonds are freely transferable, subject to the applicable selling restrictions (as further set out in section 22.2. "*Selling Restrictions*").

In the secondary market, Bonds can be purchased by prospective investors with any accepted currency.

Only Authorised Participants may purchase Bonds directly from the Issuer in the primary market. The Bonds can be subscribed for with units of the relevant Underlying Asset or with units of the Underlying Assets comprising the Index in the case of a Series of Bonds linked to an Index. Additionally, if so specified in the relevant Final Terms, Bonds can be subscribed for against payment in (A) cash and/or (B) transfer of Eligible Subscription Assets (as defined above) as specified in the respective Operating Procedures Manual.

Cash amounts or Eligible Subscription Assets so received for the subscription will be exchanged into an amount of Underlying Assets corresponding to the market value of the respective Eligible Subscription Asset(s) or the relevant fiat currency by an execution agent.

*For the avoidance of doub*t: If Bonds are subscribed for with units of the Underlying Assets, in case of a basket of Underlying Assets or an Index as Underlying Asset, Authorised Participants are required to transfer units of each of the Underlying Assets comprising the respective basket or Index, as the case may be, in an amount per unit of the basket or Index, as the case may be, as further specified in the relevant Final Terms of each Series of Bonds, unless otherwise notified by the Issuer.

Units of Underlying Assets received by the Issuer through such transactions (either directly or through exchange of cash amounts or Eligible Subscription Assets received) will be transferred to a Secured Custody Account operated by the relevant Depositary (the "**Secured Custody Account**"), whereby the Issuer's rights and claims in connection with the Secured Custody Account will be assigned as security (subject to certain carve-outs) in favour of the Bondholders of a particular Series of Bonds, the Security Trustee itself and the Bondholders' Representative (if appointed) (for a detailed description of such security and the relevant agreements, see 13.3. "*Description of the Security*"). In case of an Index of Underlying Assets, the units of each of the Underlying Assets comprising the Index will be transferred to a separate Secured Custody Account specifically operated for each individual Underlying Assets or

class of Underlying Assets comprising the Index. This procedure also applies in case of a basket of Underlying Assets.

The Issuer will procure that at any given time it holds such amount of the Underlying Assets on the Secured Custody Account which is equal to or exceeds the Secured Obligations Amount, however, (i) taking into account any possible temporary shortfall reasonably required due to the execution of any of the Eligible Rebalance Procedures, (ii) subject to an adjustment following the occurrence of a Collateral Shortfall Event and (iii) subject to total or partial forfeit or reductions due to actions or inactions of the Staking Provider or other associated parties in accordance with the protocol of a Cryptocurrency as Underlying Asset (as described below under 13.3.1. "*Security over Secured Custody Account*"). In case of an Index of Underlying Assets, the units of each of the Underlying Assets comprising the Index will, to the extent practically required, be transferred to a separate Secured Custody Account specifically operated for such Underlying Asset or type of Underlying Assets.

13.2.2. FX Hedging

The Terms and Conditions of the Bonds (for Series of Bonds issued pursuant to Annex A - Part E) allow for the Issuer to engage in FX Hedging activities ("**FX Hedging**") to hedge currency exposure between the currency in which the Bonds are denominated (the "**Bond Currency**") and the currency in which the Reference Price of the Underlying Assets (or the underlying Index) is denominated (the "**Reference Price Currency**").

Such FX Hedging typically involves the notional forward sale of the Reference Price Currency and purchase of the Bond Currency and is designed to reduce the exposure of the Reference Price (and, therefore, the Bonds) to exchange rate fluctuations between such currencies.

In circumstances where the Bond Currency is generally strengthening against the Reference Price Currency, FX Hedging will allow Bondholders to benefit from such currency movements, since the upside in the performance of the Bond Currency as compared to the Reference Price Currency will be reinvested in an equivalent amount of units of the Underlying Asset, which, subject to the specific provisions set out in the relevant Final Terms, will lead to an increase in the Asset Entitlement through application of the Capital Adjustment Factor.

Conversely, where the Bond Currency is generally weakening against the Reference Price Currency, the downside in the performance of the Bond Currency as compared to the Reference Price Currency will be realised by a sale of the relevant units of the Underlying Asset, which, subject to the specific provisions set out in the relevant Final Terms, will lead to a decrease in the Asset Entitlement through application of the Capital Adjustment Factor.

This gain or loss, as the case may be, aims to help offset any loss or gain in the value of the Bonds (expressed in the Bond Currency) that is attributable to exchange rate fluctuations. However, FX Hedging will not offset such exchange rate fluctuations perfectly, primarily because of data lag, interest rate differentials and transaction costs.

13.2.3. Payout structure and effects of the value of the Underlying Assets

(a) Payout structure

Each Bond represents the right of the Bondholder to demand from the Issuer (a) delivery of the respective Underlying Asset(s) corresponding to the Asset Entitlement (as described in detail below under 13.2.8. "*Redemption of the Bonds*") or (b) payment of a cash amount and/or, in case of Cryptocurrency Linked Bonds, an amount of other Eligible Assets (as specified in the relevant Final Terms) in fulfillment of its delivery claim to the above-mentioned Underlying Asset(s).

(b) Collateralization of the Issuer's obligations

These obligations of the Issuer are collateralized by the respective amount of units of the Underlying Asset(s): Pursuant and subject to Condition 15.3 of the General Terms and Conditions the Issuer shall generally and at any given time procure in relation to each Series of

Bonds that it holds such amount of the Underlying Asset(s) equal to or exceeding the Secured Obligations Amount (subject to the restrictions set out in the Terms and Conditions and as described below under 13.3.1. "*Security over "*) on the Secured Custody Account held with the Depositary.

Compliance with this covenant is ensured at contractual level within the framework of the issuance and security structure: In the primary market, each Series of Bonds may be purchased with units of the relevant Underlying Asset(s) (as set out in the relevant Final Terms) as well as against payment in cash or transfer of Eligible Subscription Asset(s), whereby cash amounts and Eligible Subscription Asset(s) received for the subscription will be exchanged into a corresponding amount of Underlying Asset(s) by an execution agent. Units of Underlying Asset(s) received by the Issuer through such transactions (either directly or through exchange of cash amounts or Eligible Subscription Asset(s) received) will be transferred to the Secured Custody Account, whereby the Issuer's rights and claims in connection with the Secured Custody Account will be assigned as security in favour of the Bondholders of a particular Series of Bonds, the Security Trustee itself and the Bondholders' Representative (if appointed). Any subsequent transfers of the units of the Underlying Asset(s) so deposited are subject to a prior approval of the Administrator (for a detailed description of such security and the relevant agreements, see 13.3 "*Description of the Security*").

(c) Structural link between the value of the Underlying Asset(s) and the value of the Bonds

Due to this structural link to (a) the value of the Underlying Asset(s) and (b) the Issuer's compliance with the aforementioned covenant, any breach of this covenant as well as any decline in the value of the respective Underlying Asset(s) will result in a corresponding decline (i) in the market value of the Bonds on the secondary market, (ii) in the redemption amount in case of a redemption in cash and (iii) in the value of the units of the Underlying Asset(s) received in case of a redemption in kind.

(d) Effects of the value of the Underlying Asset(s)

The value and performance of the Bonds materially depends on the value and performance of the respective Underlying Asset(s).

In accordance with their derivative structure based on the Issuer's payment and delivery obligations to Bondholders under the Bonds, the Bonds are expected (subject to specific features of the Terms and Conditions, such as the Allowed Use of the Deposited Underlying Assets as well as the deduction of any fees and costs) to track the performance of the underlying Cryptocurrency nearly 1:1.

(e) Effects of Allowed Use of the Deposited Underlying Assets

The Terms and Conditions of the Bonds may allow for the Issuer to utilize the Deposited Underlying Assets for one of certain predetermined business activities per Series of Bonds, such as Staking, DeFi Activities, FX Hedging Transactions, Covered Call Transactions and Leveraged Exposure Transactions (together, the "**Allowed Use of the Deposited Underlying Assets**").

Through the application of the Capital Adjustment Factor, a proportion of the (net) profits and benefits as well as (net) losses resulting from the respective utilization (the "**Transfer Amounts**") of the Deposited Underlying Assets will form part of the Asset Entitlement.

In case of positive Transfer Amounts, which occur if the utilization of the Deposited Underlying Asset in accordance with the Allowed Use of the Deposited Underlying Assets results in (net) profits, the Capital Adjustment Factor will generally be positive. In such case, subject to the application of the management fee (see below), the Asset Entitlement will either increase (if the Transfer Amounts exceed the management fee), remain constant (if the Transfer Amounts are equal to the management fee) or decay slower when compared to a product with the same management fees but no staking feature (if the management fee exceeds the Transfer Amounts).

In case of negative Transfer Amounts, which occur if the utilization of the Deposited Underlying Asset in accordance with the Allowed Use of the Deposited Underlying Assets results in a (net) loss, the Capital Adjustment Factor will generally also be negative (for further details see 13.3 "*FX Hedging*", 13.3.6. "*Staking*", 13.3 "*DeFi Activities*", 13.2.10. "*Covered Calls*" and 13.32.11. "*Leveraged Exposure*"). Accordingly, the Asset Entitlement will decrease faster when compared to a product with the same management fees, but no utilization of the Underlying Assets in accordance with the Allowed Use of the Deposited Underlying Assets.

Due to the corresponding effects of such increase or decrease, as the case may be, of the Asset Entitlement to the Secured Obligations Amount, the Issuer will be required to reflect such increase or decrease, as the case may be, in the Deposited Underlying Assets accordingly by increasing (in case of positive Transfer Amounts) or reducing (in case of negative Transfer Amounts) the Deposited Underlying Assets accordingly (as further described in13.3.1 "*Security over Secured Custody Account*" below).

(f) Effects of the management fee

In relation to each Series of Bonds, the Issuer charges a management fee to the Bondholders (as set out in the relevant Final Terms). Such management fee is expressed as the rate at which the Asset Entitlement and, thus, the monetary value of the Bondholders' claim for payment of a cash amount or delivery of the respective Underlying Asset(s) decays over time.

Unless such decay is compensated by the accumulation of Transfer Amounts, the Asset Entitlement will gradually decay over time.

Accordingly, if such decay of the Asset Entitlement is not exceeded by the performance of the Underlying Asset(s), the monetary value of the Bondholders' claim for payment of a cash amount or delivery of the respective Underlying Asset(s) will decay over time, even if the value of the Underlying Asset(s) remains unchanged. Correspondingly, in case of a declining value of the Underlying Asset(s), such decline will be amplified even further.

13.2.4. Description of the underlying Cryptocurrency and Indices

(a) Cryptocurrency

The term Cryptocurrency comprises all digital assets whose origin is derived from a blockchain, including digital currencies, digital commodities provisioning raw digital resources or digital tokens provisioning finished digital goods and services.

In this context, a blockchain can be described as a special type of database, where transactions are not governed by a single entity. Instead, the entire transaction history is recorded in a decentralised, distributed ledger. The key aspect behind blockchain is that processes are not completed by one, but by many computers, simultaneously. Trust in Bitcoin, for instance, is secured through a decentralised, immutable ledger that is not run by a single company or government but by an independent community of computers all around the world. All computers are in the same network, called a peer-to-peer network. Inside the industry, this model is often called a "distributed trust model".

The present definition of Cryptocurrency refers to their potential of being a digital storage or representation of value. Cryptocurrencies are usually not issued by a central bank or another public authority and may *inter alia* be accepted by natural or legal persons as means of payment. Cryptocurrencies can be stored, transferred, or traded electronically. Cryptocurrencies provide for a vast range of use case beyond conventional financial transactions. These use cases include, for instance, smart contracts, which have been popularised together with the ERC20 standard for tokens, on the Ethereum blockchain. They build the technological foundation of blockchain-based assets, such as utility tokens, which convey holders the right to use decentralised applications (DApps) or preferential access to the services of crypto-assets ecosystems, online games and security tokens.

(b) Shares

Shares as a class of Underlying Assets comprise company shares of any type listed or admitted to trading (a) on (i) a regulated market within the meaning of Article 4(1) no. 21 of MiFID II, as amended or (ii) a stock exchange that is regulated and supervised as such by a competent authority in its relevant jurisdiction (each, a "**Regulated Stock Exchange**") or (b) on a multilateral trading facility within the meaning of Article 4(1) no. 22 of MiFID II, as amended ("**MTF**") or (c) an alternative trading system as defined in title 17, §242.300 (a) of the United States Code of Federal Regulations ("**ATS**").

As used herein, the term Shares shall also comprise depositary receipts, such as American depositary receipts, European depositary receipts and global depositary receipts, which are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded.

(c) ETPs

ETPs as Underlying Assets comprise all types of collective investment undertakings, including (but not limited to) mutual funds, exchange traded funds ("**ETFs**"), open ended funds and closed ended funds and/or debt securities such as exchange traded commodities ("**ETCs**"), exchange traded notes ("**ETNs**") and exchange traded instruments ("**ETIs**"), whereby (i) only ETPs listed or admitted to trading (a) on a Regulated Stock Exchange or (b) on a MTF or (c) on an ATS or (ii) unlisted collective investment undertakings (excluding those holding 10% or more unlisted equities) where subscriptions and redemptions are done directly with the relevant collective investment undertaking will be permitted as Underlying Assets.

ETPs to be used as Underlying Assets under the Programme may give exposure to the following conclusive list of asset classes: (i) equity instruments, (ii) fixed income instruments such as (a) bonds issued by corporate issuers (such as euro medium term notes or structured notes) or by governmental and supranational bodies (government bonds), (b) fixed income interest rate swaps, (c) bank deposits, (d) certificates of deposits and (e) bank loans, (iii) commodities (physically or index linked / futures), (iv) emissions allowances, (v) foreign exchange rates (FX), (vi) volatility instruments, (vii) short instruments, (viii) leveraged instruments, (ix) covered call instruments and (x) combinations of various assets of the aforementioned asset classes (multi-asset instruments).

(d) Underlying Indices

The Final Terms for each Series of Bonds will specify the respective underlying Index which is applicable to that Series of Bonds.

The details of the methodology of the respective Index as well as the specific set of rules for each individual Index will depend on the selected Index administrator and Index, and the relevant information will be made available by reference to the respective information published by the Index administrator. The Issuer and/or any company forming part of the Bitwise Group will not function as an Index administrator in relation to a Series of Bonds.

13.2.5. Description of the Depositary

The Issuer has appointed each of Anchorage Digital Bank N.A. ("**Anchorage**"), BitGo Trust Company, Inc. ("**BitGo**"), BitGo Europe GmbH ("**BitGo Europe**"), Coinbase Custody Trust Company, LLC ("**Coinbase Custody**"), Coinbase Luxembourg S.A. ("**Coinbase Lux**") and Zodia Custody (Europe) S.A. ("**Zodia**") as Depositary under the Programme.

Anchorage is a National Trust Bank regulated by the Office of the Comptroller of the Currency (the OCC). Anchorage is subject to OCC oversight and has a proven track record in the industry of providing custodial services for digital asset private keys. All customer assets are held in segregated accounts, segregated from both the proprietary property of Anchorage and the assets of any other customer. Anchorage has insurance coverage which procures fidelity insurance to protects its customers from risks such as theft of funds. Anchorage maintains an internal audit team that performs periodic internal audits over custody operations.

BitGo is a qualified custodian, regulated by the South Dakota Division of Banking. Pursuant to information on its website (https://www.bitgo.com/), BitGo provides institutional investors with security, compliance, and custodial solutions for blockchain-based currencies. BitGo is currently the world's largest processor of on-chain bitcoin transactions, processing 15 percent of all global bitcoin transactions, worth of USD 15 billion per month across all cryptocurrencies. The company has a customer base that includes the world's largest cryptocurrency exchanges and spans more than 50 countries. BitGo is headquartered in Palo Alto, California, and has offices in London, Singapore, and Tokyo.

BitGo Europe has been operating a crypto custody business for institutional clients since 2023 and is a regulated custodian; specifically since May 2025, BitGo Europe has a Markets in Crypto-Assets Regulation (MiCAR) license for crypto custody and transfer services from Bafin and is authorized to provide crypto-custody services throughout the EU. BitGo Europe is part of the BitGo group, one of the leading providers of financial services for crypto assets, offering institutional clients secure custody, trading and liquidity solutions for crypto assets. Founded in 2013, BitGo group operates globally and is known for its multi-signature wallet technology. It offers regulated and insured cold storage solutions for a wide range of digital assets.

Coinbase Custody is a fiduciary under New York State Banking Law and a qualified custodian regulated under the Investment Company Act of 1940 and the Investment Advisers Act of 1940. Pursuant to information on its website (https://custody.coinbase.com/), Coinbase Custody holds all digital assets in a secure and segregated custody solution and they are held in trust for the benefit of the Bondholders. Coinbase Custody maintains what is believes to be one of the industry-leading insurance policies to protect both online and offline assets across all of its products. Coinbase Custody's cold storage solution uses the same cold storage architecture that has underpinned Coinbase, Inc's custody of over USD 20 billion in cryptocurrency assets for its retail customers over 7 years, without any incident.

Coinbase Lux is a public limited liability company incorporated in Luxembourg and is authorised and regulated as a crypto-asset service provide (CASP) by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF). In June 2025, Coinbase Lux secured a Markets in Crypto-Assets (MiCA) license from the CSSF.

Zodia is a public limited liability company incorporated in Luxembourg and is authorised and regulated as a CASP by the CSSF. In December 2025, Zodia secured a MiCA license from the CSSF. Zodia is a wholly-owned subsidiary of Zodia Custody Limited and an indirect subsidiary of Standard Chartered PLC. Northern Trust Corporation and SBI Holdings, Inc. are minority shareholders in Zodia Custody Limited. The core business of Zodia is to act as a custodian wallet provider, and in particular to (i) generate and safeguard private keys, and (ii) safeguard cryptoassets on behalf of its clients which are secured by the private keys.

The Issuer may, however, from time to time appoint another Depositary under the Programme in relation to a particular Series of Bonds.

13.2.6. Staking

The Terms and Conditions of the Bonds may allow for the Issuer to use staking services provided by the Staking Provider (as further described below).

"**Staking**" is the contribution of Cryptocurrency associated with a given decentralised network to such network for the purpose of facilitating, validating and approving transactions on such network.

The Depositary offers Staking for specific Cryptocurrency directly from the respective Secured Custody Account. Accordingly, subject to the Terms and Conditions of the respective Series of Bonds, the Bondholders can participate in rewards of the Staking ("**Staking Rewards**"). The Staking Rewards are the receipt of units of the respective Cryptocurrency associated with a given decentralized network from such network as a reward for Staking on such network. The Issuer may, notwithstanding the obligation to have an amount of the underlying Cryptocurrency equal to or exceeding the Secured Obligations Amount on the Secured Custody Account held with the Depositary (subject to the restrictions set out in the Terms and Conditions and as described below under 13.3.1. "*Security over Secured Custody Account*") at any given time, in respect of the Cryptocurrency of any Series of Bonds apply some or all of the units of the underlying Cryptocurrency forming part of the Deposited Underlying Assets in respect of such Series of Bonds for Staking (a "**Staking Transaction**").

The process for Staking will be initiated by the Issuer, following the mandatory authorisation process with the Depositary, as approved by the Administrator. The Issuer will provide instructions to the Depositary to instruct the Staking Provider to stake the relevant Cryptocurrency.

Staking Rewards received as part of the Staking process will be restaked, either automatically by the Staking Provider or manually by the Depositary on behalf of the Issuer.

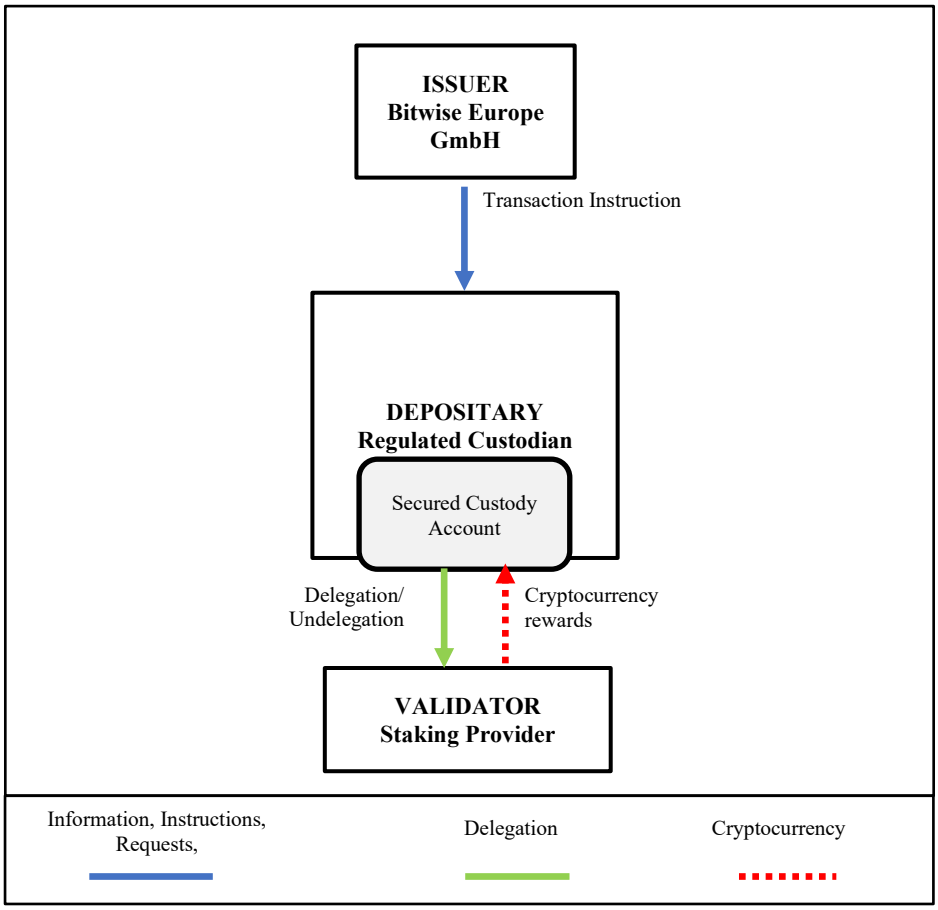
Subject to the specific provisions set out in the relevant Final Terms, through the application of the Capital Adjustment Factor, a proportion of the Staking Rewards will form part of the Asset Entitlement. In the event of a Slashing Event, the Issuer shall use commercially reasonable efforts to utilize any insurance coverage offered by the Staking Provider to the Depositary, if applicable, to mitigate the impact on the Secured Obligations Amount.

The Depositary, acting on behalf of the Issuer, shall not enter into any Staking Transaction in respect of units of the underlying Cryptocurrency of any Series of Bonds unless an agreement with the Staking Provider is in effect in relation to such Cryptocurrency and the relevant Series of Bonds. Such an agreement may include a requirement pursuant to which the Staking Provider is required to indemnify the Depositary against all Slashing penalties that arise in consequence of or in relation to any fault of the Staking Provider pursuant to any Staking Transaction. If such an indemnity is in place, and where the total or a portion of the Deposited Underlying Asset is forfeited or reduced due to a Slashing Event and the Issuer, despite making use of commercially reasonable efforts to utilize any insurance coverage offered by the Staking Provider to the Depositary, is not able to fully mitigate or compensate the effects of these events on the Secured Obligations Amount due to the Staking Provider or the Depositary being unable to satisfy their obligations vis-à-vis the Issuer, the Issuer has the right to adjust and reduce the Asset Entitlement (even to zero), whereby, *for the avoidance of doubt*, the Issuer may not permanently reduce the Asset Entitlement if and to the extent that (i) the reductions of the Deposited Underlying Asset are covered and compensated by any insurance offered by the Staking Provider to the Depositary

and (ii) such compensated amounts of Cryptocurrency are actually transferred to and deposited in the Secured Custody Account of the Issuer.

For the avoidance of doubt: The underlying Cryptocurrency used for Staking will at all times remain subject to the security interest in relation to the Issuer's rights and claims on the Secured Custody Account which has been established as security for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed).

Diagram 2: Staking process



13.2.7. Description of the Staking Provider

Attestant Limited is a London based provider of staking software and infrastructure founded in 2020 by a group of experienced finance and technology individuals who believed that Ethereum was integral to the future of decentralised finance and wanted to provide a best in class non-custodial staking solution. Attestant have created an institutional grade infrastructure of geographically distributed bare metal servers combined with its own, open source, software stack. Clients retain control of their funds at all times via their own private key. Attestant has both private and institutional clients covering exchanges, investment managers, family offices and financial institutions. Attestant's software is well respected and is used by a large proportion of the Ethereum staking community. Since inception, Attestant has expanded its offering to include several additional chains when it believes in the utility, security and management of the new protocol. Attestant was acquired by Bitwise in 2024 and continues to be a London based firm.

Sous Vide Ltd. (Marinade), registered at 2nd Floor, Ellen L. Skelton Building, Fishers Lane, Road Town, Tortola, VG1110 British Virgin Islands, is a staking marketplace for the Solana protocol. Marinade is one of the leading staking solution on Solana with over $1 Bn in TVL.

Marinade is integrated with regulated custodians to offer its solution to institutional investors. Marinade provides distributed staking and staking rewards protection through its programmatic staking mechanism. Marinade also offers its institutional staking solution without any smart contract risk. Through this holistic approach, Marinade offers a risk managed rewards mechanism for institutional staking.

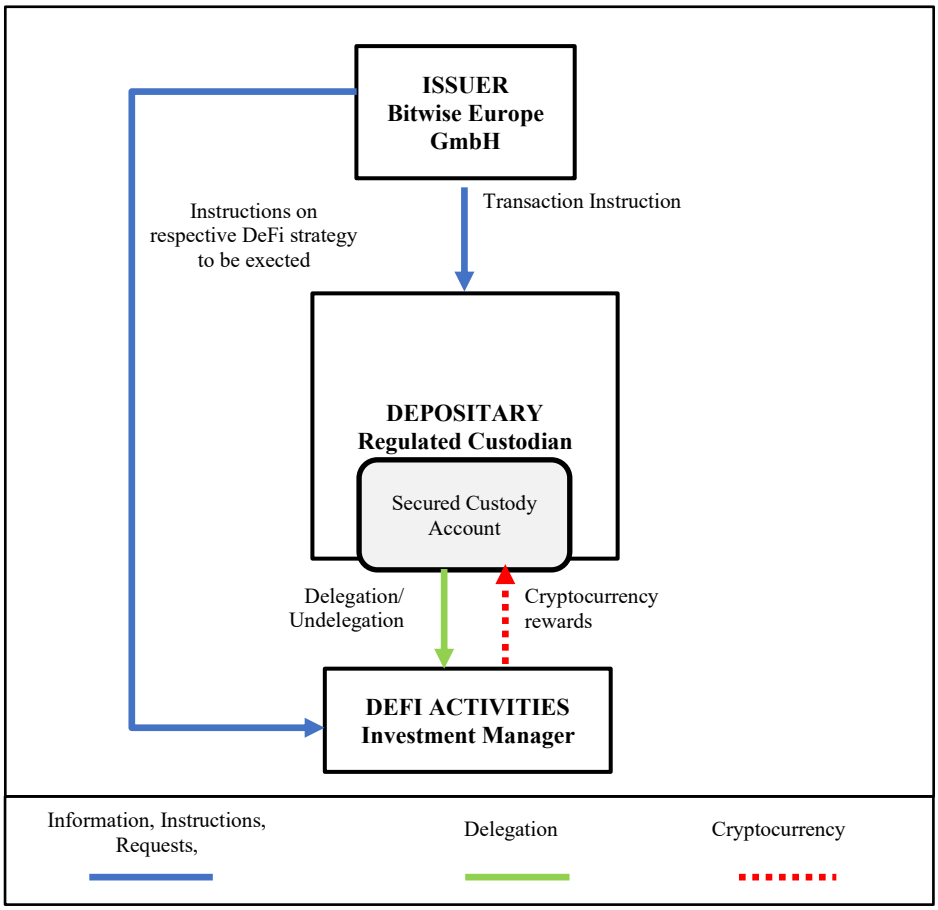
13.2.8. DeFi Activities

The Terms and Conditions of the Bonds may allow for the Issuer to conduct DeFi activities making use of the services provided by the Investment Manager (as further described below).

"**DeFi Activities**" means any activities conducted through or in connection with decentralised finance (DeFi) protocols or platforms that operate on Distributed Ledger technologies, including but not limited to: lending, borrowing, Staking, yield farming, liquidity provision, token swaps, asset wrapping, where such activities are not intermediated by a centralised entity, and are instead executed on a non-custodial basis via smart contracts on public or permissionless blockchains.

Subject to the specific provisions set out in the relevant Final Terms, proportions of the (net) profits and benefits as well as losses received or transferred as a result of the DeFi Activities ("**DeFi Transfer Amounts**"), less applicable fees, will form part of the Asset Entitlement by applying a respective Capital Adjustment Factor.

Diagram 3: DeFi Activities



13.2.9. Description of the Investment Manager

The Issuer has appointed Bitwise Investment Manager LLC ("**BIM**") as Investment Manager under the Programme. BIM is a Delaware limited liability company and is registered and supervised by the U.S. Securities Exchange Commission ("SEC") as an investment manager under the Investment Advisers Act of 1940.

As Investment Manager, BIM will manage Underlying Assets, in particular Cryptocurrencies, in connection with certain DeFI Activities (as described below). In this context, the Investment Manager's mandate is limited to purely operational activities in connection with implementation and execution of the DeFi Strategy that was predefined by the Issuer with respect to the relevant Series of Bonds prior to its issuance. The Investment Manager has no discretion to alter any product details, such as the risk profile, during the term of a respective Series of Bonds.

BIM, as Investment Manager, is solely acting for account of the Issuer without any fiduciary or other duties or investment obligations vis-à-vis the Bondholders or other parties.

13.2.10. Covered Calls

The Terms and Conditions of the Bonds may allow for the Issuer to engage in covered call option writing strategies.

For this, in relation to the respective Series of Bonds, the Investment Manager will sell "out-of-the-money" covered call options linked to the Underlying Asset(s) for a premium (the "**Covered Call Transaction**".

The call options so purchased provide the purchaser with the right (i) to buy the respective Underlying Assets of the relevant Series of Bonds for a fixed price (the "**Strike Price**") on a certain date (the "**Expiration Date**") or (ii) if the option is cash settled, to receive a payment equal to the difference between the value of the Underlying Asset and the Strike Price of the relevant call option. Following the purchase of the call options, the purchaser has the right to buy the Underlying Assets of the relevant Series of Bonds at the Strike Price on the Expiration Date of the respective call option.

The Issuer will post the Deposited Underlying Assets as collateral to the Investment Manager, as the seller of the respective call options. In connection therewith, the respective Deposited Underlying Assets will remain in the Secured Custody Account. These holdings of the Deposited Underlying Assets are intended to provide "cover" for the call option, as the respective Underlying Assets of the relevant Series of Bonds can be delivered upon exercise of the respective call option.

Writing or selling a call option generates income in the form of the premium paid by the purchaser of the option, which the Investment Manager will transfer to the Issuer.

If the price of the respective Underlying Asset of the relevant Series of Bonds ends up at or below the Strike Price on the Expiration Date, the return (compared to a long-only position in the Underlying Asset) is increased by the premium received.

If the price of the respective Underlying Asset of the relevant Series of Bonds ends up above the Strike Price on the Expiration Date, the return is capped at a price equivalent to the Strike Plus the premium received, which will be realised by a sale of the relevant units of the Underlying Asset at the Strike Price and repurchased at their current market price. As in such case the current market price, at which the Issuer will be required to repurchase the units of the Underlying Asset, will be higher than the Strike Price at which the Issuer sold the units of the Underlying Asset, the amount of the units of the Underlying Asset received through such repurchase will be less than the amount of units of the Underlying Asset which were sold.

Subject to the specific provisions set out in the relevant Final Terms, positive or negative returns in form of amounts of the Underlying Assets and/or cash received or transferred in connection with the Covered Call Transaction (the "**Covered Call Transfer Amounts**"), will form part of the Asset Entitlement by application of the Capital Adjustment Factor.

It is also possible for the Covered Calls strategy to be carried out as part of DeFi Activities. In such case, the specific mechanics of the Covered Calls strategy will be subject to the protocols and smart contracts of the respective DeFi Activities.

13.2.11. Leveraged Exposure

The Terms and Conditions of the Bonds may allow for the Issuer to engage in Leveraged Exposure strategies.

For this, in relation to the respective Series of Bonds, the Investment Manager will provide leveraged exposure through a structural combination of derivative instruments, daily rebalancing and full collateralization.

A Leveraged Long Exposure is designed to have an enhanced positive impact on the value of the Series of Bonds where the relevant Underlying Asset increases in value. Conversely, where the Underlying Asset decreases in value, a Leverage Long Exposure will have an enhanced negative impact on the value of the relevant Series of Bonds.

A Leveraged Short Exposure is designed to have an enhanced positive impact on the value of the Series of Bonds where the relevant Underlying Asset decreases in value. Conversely, where the Underlying Asset increases in value, a Leverage Short Exposure will have an enhanced negative impact on the value of the relevant Series of Bonds.

The degree of leverage for both Leveraged Long Exposure and Leverage Short Exposure will be determined by the Leverage Factor specified in the relevant Final Terms.

Subject to the specific provisions set out in the relevant Final Terms, positive or negative returns in form of amounts of the Underlying Assets and/or cash received or transferred in connection with the Leveraged Exposure (the "**Leveraged Exposure Transfer Amounts**"), will form part of the Asset Entitlement by application of the Capital Adjustment Factor.

It is also possible for the Leveraged Exposure to be carried out as part of DeFi Activities. In such case, the specific mechanics of the Leveraged Exposure will be subject to the protocols and smart contracts of the respective DeFi Activities.

13.2.12. Necessary Redemption Actions

Prior to a Mandatory or Voluntary Redemption of the Bonds, the Issuer is required to re-establish the unrestricted transferability of the relevant units of the Underlying Assets which are subject to a utilization in accordance with the Allowed Use of the Deposited Underlying Assets. Accordingly, prior to a Redemption of the Bonds, the Issuer will initiate the unwinding of the respective activities in relation to the affected units of the Underlying Assets. In case of a Voluntary Redemption, a certain time period will be required to conduct all actions, which may be required by the Issuer in order to make the relevant Underlying Assets available for transfer after previously utilizing the Underlying Assets (the "**Necessary Redemption Actions**").

Following the completion of the Necessary Redemption Actions, the respective units of the Underlying Assets can be withdrawn through the standard withdrawal process.

13.2.13. Redemption of the Bonds

Bonds will be redeemed in units of the Underlying Assets.

For the avoidance of doubt, if the Bonds will be redeemed in units of the Underlying Assets comprising the Index, Bondholders will receive units of each of the Underlying Assets comprising the Index in an amount per Unit of the Index as further described in the relevant Final Terms.

Given that the Bonds will be redeemed in the Underlying Assets, each Bondholder will require (i) in case of Cryptocurrencies as Underlying Asset(s), one or several digital wallet(s) (the "**Bondholder Wallet**") or (ii) in case of Shares or ETPs as Underlying Asset(s), a custodial account in the name of the Bondholder (the "**Bondholder Custody Account**" and, together with the Bondholder Wallet, the "**Bondholder Account**") in order to receive such units of the Underlying Asset(s).

In the case of an Index, the Bonds will be redeemed in units of all of the Underlying Assets comprising the Index, and a separate Bondholder Account for each of the Underlying Assets comprising the Index may be required.

Where a Bondholder is prevented from having one or several Bondholder Accounts or receiving units of the Underlying Asset(s), it may choose to sell Bonds in the secondary market via a stock exchange (in case of Bonds admitted to trading on a stock exchange) or via an OTC market (see 13.2.15. "*Sale of Bonds in the secondary market*").

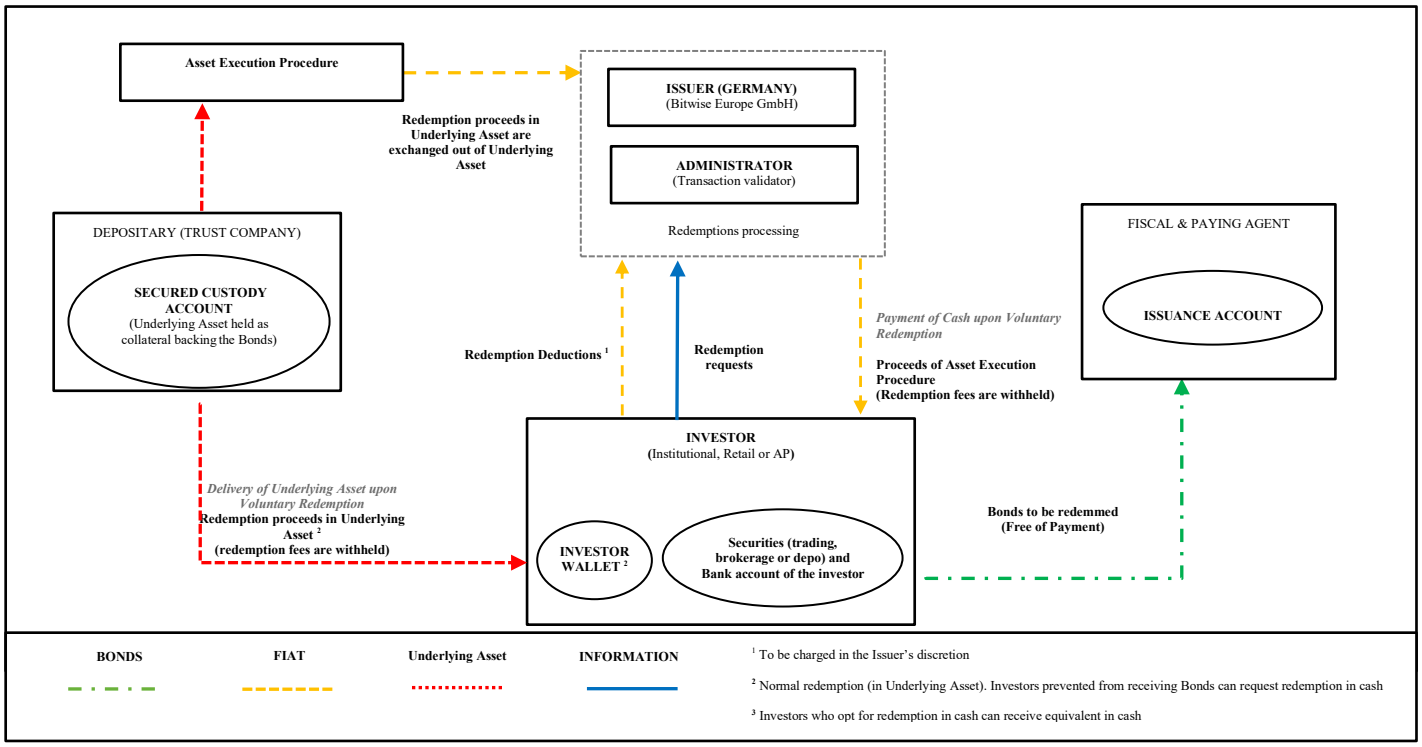
Alternatively, a Bondholder may also redeem the Bonds in cash as described below, and the cash proceeds of the Asset Execution Procedure will be made available to the Bondholder.

For the avoidance of doubt, in case of an Index, a Bondholder will be unable to receive Units of the Index, if it is unable to receive any or all of the Underlying Assets comprising the Index.

In such case, the sale of units of the Underlying Assets comprising the Index via the Asset Execution Procedure will not be limited to the Underlying Asset, which the Bondholder is unable to receive. Instead, the units of all Underlying Assets comprising the Index will be subject to such procedure.

Bonds will either be redeemed (a) at the Issuer's discretion upon the occurrence of a Mandatory Redemption Event at their Mandatory Redemption Price as further described below, or (b) in case of a Voluntary Redemption by a Bondholder at their Asset Entitlement or in cash via the Asset Execution Procedure as described in the diagrams below:

Diagram 3: Bonds' redemption at investor's request (Voluntary Redemption)



(a) Mandatory Redemption

Upon the occurrence of a Mandatory Redemption Event (as further described in the Terms and Conditions), the Bonds may be redeemed by the Issuer by giving notice to the Bondholders.

If, following a Mandatory Redemption Event, the Issuer exercises its right to redeem the Bonds, the Bonds will be redeemed at their Mandatory Redemption Price.

The Mandatory Redemption Price per Bond will be the amount in the relevant Bond Currency of the Bonds obtained from the sale of the units of the Underlying Asset(s) pursuant to the Asset Execution Procedure corresponding to the Asset Entitlement, less any applicable fees ("**Cash Redemption Amount**") divided by the number of Outstanding Bonds redeemed in cash, minus any reasonable third-party fees related to the redemption of the Bonds.

In connection therewith, "**Asset Entitlement**" means, as at any Business Day, a Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of units of the Underlying Assets or Units of the Index per Bond, and calculated by the Issuer in its sole

discretion in accordance with the following formula (as further described in the Terms and Conditions):

1. For Series of **Bonds linked to a single Underlying Asset issued pursuant to Issue Specific Option I - III** of the Terms and Conditions, the Asset Entitlement will be determined pursuant to the following formula:

$$AE_{(t)} = AE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

Where:

"**$AE_{(t)}$**" means the Asset Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**$AE_{(t-1)}$**" means the Asset Entitlement on the previous day before day "t" days after the Issue Date;

"**$AE_{(0)}$**" or "**Initial Asset Entitlement**" means the Asset Entitlement on the Issue Date;

"**CAF**" means the Capital Adjustment Factor, which is an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, in each case as further specified in the respective Final Terms;

"**$CAF_{(t-x)}$**" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date; and

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Asset Entitlement decays over time.

2. For Series of Bonds linked to an **Index pursuant to Issue Specific Option IV** of the Terms and Conditions, the Asset Entitlement will be determined pursuant to the following formula:

"**Asset Entitlement**" means the sum of individual "**Single Components Entitlements**" in respect of each particular Underlying Asset comprising the Basket per Bond which will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$\mathbf{AE_{(t)}} = \Sigma_i^n \, \boldsymbol{SCE}_{(t)}^i.$$

Whereby:

"**$AE_{(t)}$**" means the Asset Entitlement on day "t" days after the Issue Date;

"**Single Component Entitlement**" or "**SCE**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Index Component comprising the Basket per Bond;

On the Issue Date, the Single Component Entitlement corresponds to the Initial Single Component Entitlement (as defined below);

On any day after the Issue Date, the Single Component Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is <u>not</u> a Rebalance Day:

$$SCE^{i}_{(t)} = SCE^{i}_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE^{i}_{(t)} = \widetilde{SCE}^{i}_{(t)} * \left(1.0 - \frac{DER}{365}\right) - \left(RCR * RTV^{i}_{(t)}\right) + CAF_{(t-x)}$$

$$\widetilde{SCE}^{i}_{(t)} = \frac{W^{i}_{(t)} * MTM_{(t)}}{P^{i}_{(t)}}$$

$$MTM_{(t)} = \sum_{\mathrm{i} \in \mathrm{B}_{(t-1)}} SCE^{i}_{(t-1)} * P^{i}_{(t)}$$

$$RTV^{i}_{(t)} = Max\left(0, \widetilde{SCE}^{i}_{(t)} - SCE^{i}_{(t-1)}\right)$$

Where:

"$\boldsymbol{SCE^{i}_{(t)}}$" means the Single Component Entitlement in respect of the particular Index Component comprised in the Basket (denoted "i") on day "t" days after the Issue Date ;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**CAF**" means the Capital Adjustment Factor, which is an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, in each case as further specified in the respective Final Terms;

"**CAF$_{(t-x)}$**" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date;

"$\boldsymbol{SCE^{i}_{(t-1)}}$" means the Single Component Entitlement in respect of the particular Index Component comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

"$\boldsymbol{\widetilde{SCE}^{i}_{(t)}}$" means the means the Single Component Entitlement gross of rebalance cost and management fee i in respect of the particular Index Component comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"$\boldsymbol{SCE^{i}_{(0)}}$" means the initial Single Component Entitlement on the Issue Date;

"$\boldsymbol{DER}$" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Component Entitlement decays over time;

"**RCR**" means the effective rebalance cost rate; The RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket;

"$\boldsymbol{RTV^{i}_{(t)}}$" means the positive variation between the Single Component Entitlement (for the relevant Index Component denoted "i") on day "t" and the Single Component Entitlement on the previous calendar day; If the Basket has not comprised the relevant Index Component on the previous calendar day, the respective Single Component Entitlement on the previous calendar day is zero; If the variation between the Single Component Entitlement on day "t" and Single Component Entitlement on the previous calendar day is negative, $\boldsymbol{RTV^{i}_{(t)}}$ is zero;

"$\boldsymbol{MTM}$" means the mark-to-market value of the total Asset Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

"$\boldsymbol{P_{(t)}}$" means the reference price calculated in respect of the particular Index Component comprising the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $\boldsymbol{P^{i}_{(t)}}$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components;

"$\boldsymbol{W^{i}_{(t)}}$" means the weighting in respect of the particular Index Component comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date.

3. For **all Series of Bonds** the Issuer also aims to publish the Net Asset Value for the units of the Bonds on each business day.

The Net Asset Value is (i) the market value of the respective single Underlying Asset or (ii) the sum of the market values of each of Underlying $\text{Asset}_{(i)}$ comprised in the Index. The respective Net Asset Value for each Series of Bonds is calculated in accordance with the following formula:

Net Asset Value = $\boldsymbol{\Sigma_{i}^{n}\ p_i * q_i}$

Where (for all Underlying $\text{Assets}_{(i)}$ comprised in the Index):

"**n**" means the number of underlying components

"$\mathbf{p_i}$" means the respective data source or index reference price of the respective Underlying $\text{Asset}_{(i)}$ comprised in the Index as stated in the Final Terms

"$\mathbf{q_i}$" means the Asset Entitlement of the respective Series of Bonds as specified in the Final Terms

Example: Bonds linked to a single Underlying Asset

If, in case of a Series of Bonds linked to a single Cryptocurrency as Underlying Asset, for example Bitcoin (BTC), the respective reference price at the specified time was 20,000 USD ($\mathbf{p_i}$) and the Cryptocurrency Entitlement per Bond amount was 0.01 ($\mathbf{q_i}$), then the Net Asset Value of 1 unit of the Bonds would be calculated as follows:

20,000 USD ($\mathbf{p_i}$) * 0.01 ($\mathbf{q_i}$) = 200 USD per Bond.

Example: Bonds linked to an Index

Similarly, if, in case of a Series of Bonds linked to an Index, the Index is comprised of units of both, Bitcoin (BTC) and Ethereum (ETH), and the reference price of the Index at the specified time was 20,000 USD for Bitcoin and 2,000 USD for Ethereum and the Asset Entitlement per Bond was 0.01 then the Net Asset Value of a unit in USD would be calculated as follows:

20,000 USD ($\mathbf{p_1}$) * 0.01 ($\mathbf{q_i}$) + 2,000 ($\mathbf{p_2}$) * 0.01 ($\mathbf{q_i}$) = 220 USD per Bond.

Whereby:

"$\mathbf{p_1}$" means the price of BTC

"$\mathbf{p_2}$" means the price of ETH

"$\mathbf{q_i}$" means the Asset Entitlement of the Series of Bonds.

4. Additionally, if so specified in the respective Final Terms for a Series of Bonds, the Asset Entitlement is subject to adjustments upon the occurrence of a Collateral Shortfall Event (as described below under 13.3.1. "*Security over Secured Custody Account*").

5. For the avoidance of doubt, in case of Bonds linked to an Index as Underlying Asset, the Asset Entitlement refers to the specified number of units of each Underlying Asset contained in one Unit of the Index. This means that a Bondholder will not receive units of a single Underlying Asset, but units of all Underlying Assets comprising the Index in an amount per Bond as specified in the definition of "Index" in the relevant Final Terms.

6. In case of a Mandatory Redemption, the Issuer will always redeem the relevant Bonds in cash.

(b) Voluntary Redemption

Each Bondholder may at any time in whole or in part redeem its Bonds against (i) payment of the Asset Entitlement; or (ii) the Cash Redemption Amount.

In order to exercise the right for Voluntary Redemption a Bondholder needs to (i) submit a duly completed redemption form (obtainable from the website of the Issuer) (the "**Redemption Form**"), including any documents requested in such form for verification of the Bondholder's identity and (ii) transfer the Bonds in relation to which the right for Voluntary Redemption is exercised to the Issuance Account free of payment. Such Redemption Form shall include (among other information) the number of Bonds being redeemed and information on the Bondholder Account(s).

(c) Asset Execution Procedure

If a Bondholders has requested a Voluntary Redemption to be settled in cash, the Bonds will be redeemed in the relevant Bond Currency of the Bonds against payment the Cash Redemption Amount.

In such case, the Issuer will instruct a service provider (the "**Execution Agent**") to sell the Underlying Assets attributable to or forming part of the Security in respect of the Bonds subject to the relevant Voluntary Redemption request in an amount equal to the Asset Entitlement (the "**Asset Execution Procedure**"). In case of a successful sale of the Underlying Assets, the Issuer will transfer the Cash Redemption Amount to the relevant Bondholder's account as specified in the Redemption Form. In case of a partially successful execution, e.g. in cases where the Execution Agent is not able to fully execute the Asset Execution Procedure for one or more (but not all) of the Underlying Assets (a "**Partially Failed Execution**"), the Cash Redemption Amount will only consist of the cash proceeds generated from the successful element of the Asset Execution Procedure.

(d) Example Calculations for the option of a single Underlying Asset disregarding the Capital Adjustment Factor :

The table below contains example calculations of the redemption proceeds of the Bonds depending on (i) the time elapsed since the issuances of the Bonds (*Years since Issue Date*), (ii) the future performance of the Underlying Asset based on an exemplary level of the Underlying Asset as of the date of the redemption of the Bonds (*Underlying Asset EUR*) and (iii) the fees applied to the Bonds (*Exercise Fee*).

Such calculations are based on the following assumptions:

Initial investment amount at the Issue Date: EUR 10,000

Cost for one unit of the relevant Underlying Asset at the Issue Date: EUR 5,000

Initial Asset Entitlement ($AE_{(0)}$) at the Issue Date: 0.001 per Bond

Diminishing Entitlement Rate (DER) of 2.00 percent *per annum* applied on a daily basis.

Asset Entitlement ($AE_{(t)}$) at redemption on the day "t" days after the Issue Date calculated in accordance with the formula:

$$AE_{(t)} = AE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) * CAF_{(t-1)}$$

as further described in section *a) Mandatory Redemption*.

Initial investment ignoring fees[2] at the Issue Date: 2,000 Bonds.

Capital Adjustment Factor equals zero, ignoring any transactional costs as well as profits, benefits or losses received or incurred in connection with the holding or utilization of the Underlying Assets.

The result of the calculation described above is displayed below in the column "*Redemption Proceeds*" in Table 1 and Table 2 for each scenario. Further, to illustrate the impact of the costs incurred, Table 2 displays the calculations based on an annual performance of the Underlying Asset of zero percent *per annum*.

[2] The amount of the fees depends on the respective Authorised Participant or if an investor purchases the Bonds via the stock exchange.

Table 1:

Years since Issue Date	AE (per 1000 Bonds) in relevant Underlying Asset	Underlying Asset EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
			Redemption Deductions (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price	Redemption Deductions (EUR)[1]	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price	Redemption Deductions (EUR)[2]	Exercise Fee[2][3]	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price[4]
0	1.0000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	0.9800	7,500.00	-	-	14,700.00	50.00	1%	14,553.00	-	0.50%	14,626.50
5	0.9039	4,000.00	-	-	7,231.37	50.00	1%	7,159.06	-	0.50%	7,195.21
10	0.8171	48,000.00	-	-	78,438.99	50.00	1%	77,654.60	-	0.50%	78,046.79

Table 2:

Years since Issue Date	AE (per 1000 Bonds) in relevant Underlying Asset	Underlying Asset EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
			Redemption Deductions (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price	Redemption Deductions (EUR)[1]	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price	Redemption Deductions (EUR)[2]	Exercise Fee[2][3]	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price[4]
0	1.0000000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	0.9801981	5,000.00	-	-	9,801.98	50.00	1%	9,703.96	-	0.50%	9,752.97
2	0.9607884	5,000.00	-	-	9,607.88	50.00	1%	9,511.81	-	0.50%	9,588.66
3	0.9417630	5,000.00	-	-	9,417.63	50.00	1%	9,323.45	-	0.50%	9,370.54
4	0.9231143	5,000.00	-	-	9,231.14	50.00	1%	9,138.83	-	0.50%	9,184.98
5	0.9048349	5,000.00	-	-	9,048.35	50.00	1%	8,957.87	-	0.50%	9,003.11

(1) A sum that may be charged by the Issuer reflecting costs, expenses or fees actually incurred by the Issuer in connection with a sale or the transfer of Cryptocurrency, as part of any Redemption at its reasonable discretion.

(2) Assuming the Authorised Participant does not charge any fees (or charges negligible fees)

(3) Exercise Fee might be lower in accordance with a particular Authorised Participant Agreement

(4) A particular Authorised Participant may choose not to accept redemption requests from certain Bondholders at their sole and absolute discretion and in line with their internal policies

(e) Example Calculations for the option of a single Underlying Asset taking into account the Capital Adjustment Factor:

The table below contains example calculations of the redemption proceeds of the Bonds depending on (i) the time elapsed since the issuances of the Bonds (*Years since Issue Date*), (ii) the future performance of the Underlying Asset based on an exemplary level of the Underlying Asset as of the date of the redemption of the Bonds (*Underlying Asset EUR*), (iii) the Capital Adjustment Factor accounting for Staking Rewards earned (expressed as the average staking yield in per cent. for the relevant period) and (iv) the fees applied to the Bonds (*Exercise Fee*).

Such calculations are based on the following assumptions:

Initial investment amount at the Issue Date: EUR 10,000

Cost for one unit of the relevant Underlying Asset at the Issue Date: EUR 5,000

Initial Asset Entitlement ($AE_{(0)}$) at the Issue Date: 0.001 per Bond

Diminishing Entitlement Rate (DER) of 2.00 percent *per annum* applied on a daily basis.

Asset Entitlement ($AE_{(t)}$) at redemption on the day "t" days after the Issue Date calculated in accordance with the formulas:

$$AE_{(t)} = AE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) * CAF_{(t-1)}$$

as further described in section *a) Mandatory Redemption*.

Initial investment ignoring fees[3] at the Issue Date: 2,000 Bonds.

Capital Adjustment Factor reflecting the floating average staking yield received as Staking Rewards.

The result of the calculation described above is displayed below in the column "*Redemption Proceeds*" for each scenario, whereby Table 3 displays the calculations based on an average staking yield of zero (corresponding to no Staking Rewards), while Table 4 displays the calculations for a floating average staking yield (corresponding to changing Staking Rewards in each year).

[3] The amount of the fees depends on the respective Authorised Participant or if an investor purchases the Bonds via the stock exchange.

Table 3:

Years since Issue Date	Capital Adjustment Factor (Average staking yield during the period)	AE (per 1000 Bonds) in relevant Underlying Asset	Underlying Asset EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
				Redemption Deductions (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant underlying Cryptocurrency price	Redemption Deductions (EUR)[1]	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price	Redemption Deductions (EUR)[2]	Exercise Fee[2][3]	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price[4]
0	0%	1.0000000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	0%	0.9801981	14,125.00	-	-	27,690.60	50.00	1%	27,413.69	-	0.50%	27,552.14
2	0%	0.9607884	23,25.00	-	-	44,676.66	50.00	1%	44,229.89	-	0.50%	44,453.28
3	0%	0.9417630	32,375.00	-	-	60,979.15	50.00	1%	60,369.36	-	0.50%	60,674.26
4	0%	0.9231143	41,500.00	-	-	76,618.49	50.00	1%	75,852.30	-	0.50%	76,235.40
5	0%	0.9048349	50,625.00	-	-	91,614.54	50.00	1%	90,698.39	-	0.50%	91,156.46

Table 4:

Years since Issue Date	Capital Adjustment Factor (Average staking yield during the period)	AE (per 1000 Bonds) in relevant Underlying Asset	Underlying Asset EUR (for example only, not a forecast)	Scenario 1: Mandatory Redemption			Scenario 2: Redemption by any Bondholder with the Issuer			Scenario 3: Redemption of an Authorised Participant with the Issuer		
				Redemption Deductions (EUR)	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price	Redemption Deductions (EUR)[1]	Exercise Fee	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price	Redemption Deductions (EUR)[2]	Exercise Fee[2][3]	Redemption proceeds (in EUR), valued at current relevant Underlying Asset price[4]
0	4.00%	1.0000000	5,000.00	-	-	10,000.00	50.00	1%	9,900.00	-	0.50%	9,950.00
1	4.00%	1.0100500	14,125.00	-	-	28,533.91	50.00	1%	28,248.57	-	0.50%	28,391.24
2	5.00%	1.0278599	23,250.00	-	-	47,795.49	50.00	1%	47,317.53	-	0.50%	47,556.51
3	6.00%	1.0538578	32,375.00	-	-	68,237.29	50.00	1%	67,554.92	-	0.50%	67,896.10
4	7.00%	1.0886468	41,500.00	-	-	90,357.69	50.00	1%	89,454.11	-	0.50%	89,905.90
5	8.00%	1.1330496	50,625.00	-	-	114,721.27	50.00	1%	113,574.06	-	0.50%	114,147.67

(1) A sum that may be charged by the Issuer reflecting costs, expenses or fees actually incurred by the Issuer in connection with a sale or the transfer of Cryptocurrency, as part of any Redemption at its reasonable discretion.
(2) Assuming the Authorised Participant does not charge any fees (or charges negligible fees)
(3) Exercise Fee might be lower in accordance with a particular Authorised Participant Agreement
(4) A particular Authorised Participant may choose not to accept redemption requests from certain Bondholders at their sole and absolute discretion and in line with their internal policies

13.2.14. Fees related to the redemption of the Bonds

(a) Redemption directly with the Issuer

A Bondholder may request Voluntary Redemption directly from the Issuer. Bonds will be redeemed in kind by transfer of the Underlying Asset (or the Underlying Assets comprising the Index) to the Bondholder Account unless a Bondholder has opted for redemption in cash in fulfillment of its delivery claim to Underlying Asset(s).

If a Bondholder decides to demand redemption directly from the Issuer and, irrespective of whether the repayment is made in the relevant Underlying Asset or in cash, the Issuer may charge an exercise fee (the "**Exercise Fee**"), which will be specified in the relevant Final Terms (lower fees apply for redemptions by Bondholders who are Authorised Participants).

Additionally, in all cases, the Issuer may charge additional Redemption Deductions reflecting costs, expenses or fees actually incurred by the Issuer in connection with a sale or the transfer of the Underlying Asset(s).

(b) Redemption via an Authorised Participant

A Bondholder may request Voluntary Redemption through an Authorised Participant, if the Bondholder qualifies in accordance with client acceptance policies of the Authorised Participant (which the Issuer has no influence over). In such case, the Bonds will be redeemed in the relevant Underlying Assets to the Bondholder Account unless a Bondholder, acting through an Authorised Participant, has opted for redemption in cash.

For every redemption through an Authorised Participant and irrespective of whether the repayment is made in the relevant Underlying Assets or in cash, the Issuer may charge the Exercise Fee (which will be specified in the relevant Final Terms) for each Bond subject to the Voluntary Redemption.

The Issuer has no influence on whether and to what extent the Authorised Participant will charge additional fees. These fees may vary depending on the Authorised Participant.

Additionally, the Issuer has no influence over client acceptance policies of the Authorised Participants, and prospective investors in the Bonds shall be aware that it might be not possible for them to redeem the Bonds through an Authorised Participant **at all** and the only way to realise the value of their investment in the Bonds will be to redeem directly with the Issuer or sell the Bonds in the secondary market via a stock exchange (in case of Bonds admitted to trading on a stock exchange) or via an OTC market (provided that a liquid market exists). In case a Bondholder is forced to redeem its Bonds directly with the Issuer, see (c) "*Redemption if no Authorised Participant has been appointed by the Issuer*".

(c) Redemption if no Authorised Participant has been appointed by the Issuer

Where no Authorised Participant has been appointed by the Issuer or where a Bondholder does not qualify in accordance with client acceptance policies of any Authorised Participant, a Bondholder may either request Voluntary Redemption directly vis-à-vis the Issuer and request redemption directly from the Issuer or sell its Bonds in the secondary market. Where a Bondholder requests Voluntary Redemption directly vis-à-vis the Issuer the Bonds will be redeemed in the relevant Underlying Assets to the Digital Wallet of the Bondholder unless a Bondholder has opted for redemption in cash.

If a Bondholder decides to demand redemption directly from the Issuer and, irrespective of whether the repayment is made in the relevant Underlying Assets or in cash, the Issuer may charge the Exercise Fee.

13.2.15. Sale of Bonds in the Secondary Market

A Bondholder may sell its Bonds on the stock exchange (in case of Bonds admitted to trading on a stock exchange) or via an OTC market at any time (provided that a liquid market exists). The Issuer will not charge any fees. However, broker fees may be incurred.

13.2.16. ECB Eligibility

The Bonds are not intended to be held in a manner which would allow for them to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

13.2.17. Ratings

The Bonds have not been rated.

13.2.18. Clearing and Settlement

Payments and transfers of any Series of Bonds will be settled through Clearstream Europe AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.

13.2.19. Determination of issue specific variables

Certain variables, such as values, dates and other information, are determined individually, on an issue specific case by case basis, in relation to each Series of Bonds. Such variables will be determined in the respective Final Terms relating to each Series of Bonds.

The information so determined are:

- International security identification number (ISIN) and German Securities Code;
- Underlying Assets;
- Initial composition of the Basket;
- Issue Date;
- Offer Period;
- Issue Price;
- Aggregate amount of Bonds to be issued;
- Series No. and Tranche No.;
- Indication where information about the past and the future performance of the Underlying Assets, and its/their volatility can be obtained;
- Allowed Use of the Deposited Underlying Assets;
- Leverage Factor;
- Details of the benchmark administrator;
- Details of the Index Sponsor;
- Indication whether or not the issuer intends to provide post issuance information;
- Countries where the offer to the public conducted by the Issuer takes place;
- Information with regard to the manner, place and date of the publication of the results of the offer;

- Estimate of the total expenses of the issue/offer;
- Estimate of the total expenses related to the admission to trading; and
- Names and addresses of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment (*Market Makers*).

13.3. DESCRIPTION OF THE SECURITY

The Issuer will grant the following security (the "**Security**") for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed):

13.3.1. Security over Secured Custody Account

Pursuant and subject to Condition 15.3 of the General Terms and Conditions the Issuer shall procure in relation to each Series of Bonds that it generally holds such amount of the Underlying Asset(s) equal to or exceeding the Secured Obligations Amount on the Secured Custody Account held with the Depositary (the "**Deposited Underlying Asset**") at any given time (the "**Covenant**").

The Issuer and The Law Debenture Trust Corporation p.l.c. as Security Trustee and the relevant Depositary, (i.e. Anchorage, BitGo, BitGo Europe, Coinbase Custody, Coinbase Lux and Zodia (or any other entity designated as the Depositary by the Issuer)), have entered or will enter into an account control agreement (each, a "**Secured Custody Account Control Agreement**") in relation to each Series of Bonds, governed by the laws of the State of New York (in relation to the Secured Custody Account Control Agreements entered into with BitGo and Coinbase Custody), governed by the laws of the Federal Republic of Germany (in relation to the Secured Custody Account Control Agreements entered into with Anchorage, BitGo Europe, Coinbase Lux and Zodia. Further, the Issuer and the Security Trustee have entered or will enter into a Secured Property Agreement (the "**Secured Property Agreement**") in relation to each Series of Bonds, governed by the laws of the State of New York (in relation to the Secured Property Agreements entered into with BitGo and Coinbase Custody), governed by the laws of the Federal Republic of Germany (in relation to the Secured Property Agreements entered into with BitGo Europe, Coinbase Lux and Zodia.

In case of Bonds which provide for an Allowed Use of the Deposited Underlying Assets (for further details see 13.2.3. (e) "*Allowed Use of Deposited Underlying Assets*" as well as 13.3 "*FX Hedging*", 13.3.6. "*Staking*", 13.3 "*DeFi Activities*", 13.2.10. "*Covered Calls*" and 13.32.11. "*Leveraged Exposure*"), the Asset Entitlement may be increased or decreased following the application of the Capital Adjustment Factor to reflect any positive or negative Transfer Amounts resulting from the Allowed Use of the Deposited Underlying Assets. As such increase or decrease, as the case may be, of the Asset Entitlement also results in a corresponding increase or decrease, as the case may be, of the Secured Obligations Amount, the Issuer will be required to reflect such increase or decrease, as the case may be, in the Deposited Underlying Assets accordingly. Accordingly, subject to the application of the management fee, in case of positive Transfer Amounts the Issuer will increase the amount of Deposited Underlying Assets and in case of negative Transfer Amounts, the Issuer will reduce the amount of Deposited Underlying Assets.

In case of Bonds with an Index as Underlying Asset, in case of a rebalancing of the Index (*i.e.* a change in the composition of the individual assets of which the respective Index is comprised of), the Issuer will be required to reflect such rebalancing of the underlying Index in the Deposited Underlying Asset accordingly.

In order to facilitate such rebalancing progress, the Issuer may be required to execute an Eligible Rebalance Procedure (as specified in Issue Specific Annex B of Issue Specific Options I and IV) which includes, without limitation, the withdrawal and transfers of units of the Underlying Assets comprising the Deposited Underlying Asset to the Depositary or any other eligible counterparty (as further specified in the Terms and Conditions).

In connection therewith, it is possible that temporary shortfalls of the Deposited Underlying Asset may occur. Accordingly, Condition 15.3 of the General Terms and Conditions allows to take into account

possible temporary shortfalls of the Deposited Underlying Asset in limited circumstances, as further specified in Issue Specific Annex B of Issue Specific Options I and IV, by not considering such temporary shortfall as breach of the Covenant.

In case that such shortfall of the Deposited Underlying Asset due to an execution of Eligible Rebalance Procedures manifests not only as temporary, but as a permanent shortfall ("**Collateral Shortfall Event**"), the Issuer will inform the relevant Bondholders accordingly and, in accordance with Condition 15.3 of the General Terms and Conditions and Condition 2.9 of Issue Specific Annex B of Issue Specific Options I and IV, the amount of the units of the Underlying Assets to be held on the Secured Custody Account with the Depositary as Deposited Underlying Asset will be adjusted accordingly to reflect such Collateral Shortfall Event by subtracting such shortfall from the previously applicable amount of Deposited Underlying Asset.

Following such adjustment of the Deposited Underlying Asset, the Asset Entitlement will be adjusted accordingly to correspond to the amount of Deposited Underlying Asset divided by the number of Bonds outstanding. Such adjustment of the Asset Entitlement will affect all unfinalized transactions in connection with a Mandatory Redemption by the Issuer or the request for Voluntary Redemption by a Bondholder even if they were initiated prior to such adjustment. Thereafter, both the Asset Entitlement and the Deposited Underlying Asset shall continue to evolve as specified in the Terms and Conditions, disregarding any effect of the formulas on the Asset Entitlement value prior to the relevant Collateral Shortfall Event.

Pursuant to the Secured Property Agreement, the Issuer grants a security interest in the Deposited Underlying Asset and any other assets in relation to each Series of Bonds held in the Secured Custody Account and the associated account of the Issuer maintained by the Depositary (the "**Depositary Account**"), and certain proceeds of such assets, together referred to as the "**Collateral**", in favour of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed). The security interest granted in the Collateral secures the Secured Obligations Amounts, as defined in the German Security and Security Trust Agreement.

The Secured Property Agreement grants to the Security Trustee the right to repossess and foreclose upon the Collateral in relation to each Series of Bonds upon an Event of Default for the purpose of paying the Secured Obligations Amounts. Event of Default is defined in the Secured Property Agreement to mean that the Issuer delivers written notice to the Security Trustee of the occurrence of an Event of Default listed in Condition 14.1 of the General Terms and Conditions.

The Secured Custody Account Control Agreement grants to the Security Trustee the right to take exclusive control of the Depositary Account in relation to each Series of Bonds upon an Event of Default, as defined in the Secured Property Agreement, by delivering to the Depositary a "Notice of Exclusive Control". Following delivery of a Notice of Exclusive Control by the Security Trustee to the Depositary, the Issuer no longer has a right to withdraw assets from the Depositary Account but has a period of 30 (thirty) days during which the Issuer may contest the existence of an Event of Default. Following such thirty-day period, provided the Notice of Exclusive Control has not been rescinded by the Security Trustee upon direction by the Bondholders' Representative, the Security Trustee has the right to withdraw and dispose of the Deposited Underlying Asset and any other assets held in the Secured Custody Account and the Depositary Account for the purpose of paying the Secured Obligations.

To assist the Security Trustee, the Administrator, which is appointed (and replaced, if applicable) by the Issuer in relation to all Series of Bonds only with the consent of the Security Trustee, is legally required to verify compliance of the Issuer with (i) the covenant set out in Condition 15.3. of the General Terms and Conditions and (ii) the obligation of the Issuer to transfer Bonds to a subscribing party once the appropriate subscription price was paid into the Secured Custody Account. The terms of the Secured Custody Account Control Agreement prevent the Issuer from transferring or disposing of any assets from the Depositary Account and / or the Secured Custody Account without consent of the Administrator, even absent an Event of Default.

13.3.2. Security over Issuer-Owned Bonds

Pursuant to the German Security and Security Trust Agreement described below, the Issuer has granted (or will grant) a pledge over the unsold or repurchased Bonds in relation to each Series of Bonds held now or in the future in the name of the Issuer on the Issuance Account in relation to each Series of Bonds, or any other account(s) replacing or substituting for this present Issuance Account for whatever reason, to which the pertinent co-ownership interests in the collective custody holdings (*Miteigentumsanteile am Girosammelbestand*) are being and shall exclusively be credited to.

In addition, the Issuer, the Security Trustee and the respective financial intermediaries maintaining the Issuance Account for the Issuer (the "**Depo Bank**"), currently Quirin Privatbank AG or ISP Securities AG (in each case as specified for the respective Series of Bonds in the relevant Final Terms), have entered or will enter into the Issuance Account Control Agreement in relation to each Series of Bonds, pursuant to which the Administrator has to approve for the respective Depo Bank any transfer of the Bonds out of the Issuance Account to ensure that an appropriate number of units of the relevant Underlying Asset was deposited to the Secured Custody Account by the party subscribing to the Bonds and the Issuer is in continuous compliance with the covenant set out in Condition 15.3 of the Terms and Conditions.

13.3.3. German Security and Security Trust Agreement

In relation to each Series of Bonds, the Issuer and the Security Trustee have entered or will enter into a German Security and Security Trust Agreement, pursuant to which the Security Trustee will be appointed to act as security trustee of and for the benefit of the Bondholders, the Security Trustee itself and the Bondholders' Representative (if appointed, whereby, initially, no Bondholders' Representative will be appointed) in connection with the administration and the handling of the rights of the Bondholders against the Issuer as well as among themselves in relation to the Security. In particular, the Security Trustee shall (i) hold, administer and enforce such Security which is assigned or transferred to it by way of security (*Sicherungsabtretung/Sicherungsübereignung*) or otherwise granted under a non-accessory security right (*nicht akzessorische Sicherheit*) and exercise its rights and discharge its duties under this Agreement as trustee (*Treuhänder*) for the benefit of the Bondholders; (ii) administer and enforce such Security which has been created by way of pledge (*Verpfändung*) or otherwise transferred to it under an accessory security right (*akzessorische Sicherheit*); and (iii) act in relation to the Security in accordance with the terms and subject to the conditions of the German Security and Security Trust Agreement.

14. TERMS AND CONDITIONS

The conditions applicable to the relevant issue of Bonds (the "**Terms and Conditions**") will be determined as follows:

General Terms and Conditions

The general terms and conditions of the Bonds (the "**General Terms and Conditions**") are set forth below in the section "General Terms and Conditions".

Issue Specific Terms and Conditions

The Base Prospectus includes issue specific terms and conditions of the Bonds (the "**Issue Specific Terms and Conditions**") for the following 4 options (each an "**Issue Specific Option**" and, together, the "**Issue Specific Options**") as well as combinations thereof in the form of a basket of Underlying Assets:

Issue Specific Option I applies to Cryptocurrency Linked Bonds.

Issue Specific Option II applies to Equity Linked Bonds.

Issue Specific Option III applies to ETP Linked Bonds.

Issue Specific Option IV applies to Index Linked Bonds.

The Issue Specific Terms and Conditions are set forth in the section "Issue Specific Terms and Conditions" below.

Issue Specific Annexes

The Base Prospectus includes one or several issue specific annexes of the Bonds (each an "**Issue Specific Annex**" and, together, the "**Issue Specific Annexes**") for the each of the Issue Specific Options, whereby, in each case, Issue Specific Annex A applies to the calculation of the Asset Entitlement and Issue Specific Annex B applies with regards to provisions relating to Adjustments and Special Situations.

The Issue Specific Annexes are set forth in the section "Issue Specific Annexes" below.

Final Terms

The Final Terms for a specific issuance of Bonds will (i) determine which of the Issue Specific Options I through IV of the Issue Specific Terms and Conditions of the Bonds (whereby multiple Options may be applicable in case of a basket of Underlying Assets) together with the respective Issue Specific Annexes shall apply to the relevant issue of Bonds by inserting the General Terms and Conditions, such Issue Specific Option and the relevant Issue Specific Annex in the Final Terms Part I and will (ii) specify and complete the General Terms and Conditions, the relevant Issue Specific Option and the relevant Issue Specific Annex so inserted, respectively.

Baskets

In case of a basket of Underlying Assets of more than one asset class, a combination of Issue Specific Options will apply. In such case, it is possible that the respective Final Terms include more than one definition for certain terms. For the avoidance of doubt, in such case, each defined term must be read in conjunction with the definition contained in the relevant Issue Specific Option relating to the affected Underlying Asset.

15. GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

"**Acceptable Delivery of Bonds**" means, in respect of Bonds subject to a Redemption, the Bondholder having delivered the Bonds to the Issuance Account;

"**Adjustment Event**" has the meaning given to it in the Issue Specific Terms and Conditions below;

"**Administrator**" means the institution(s) specified in Condition 10.1 (*Appointment*) below that the Issuer from time to time, has designated as an Administrator to approve any transfer of Issuer-Owned Bonds or deposited Underlying Asset, where security interests have been created in relation to such Issuer-Owned Bonds or deposited Underlying Asset, respectively, for the benefit of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed). The Administrator may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions;

"**Affiliate**" means any company within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*);

"**Agreed Pricing**" means the method referred to in the definition of "Redemption Amount" in these General Terms and Conditions below, whereby such method shall be applicable in case the Determination Agent determines that the value of the Asset Entitlement is less than the outstanding Principal Amount, resulting in the relevant Bonds being Redeemed at the amount equal to the Asset Entitlement, as agreed between the Authorised Participant and the Issuer;

"**Asset Entitlement**" **[**has the meaning given to it in the Issue Specific Terms and Conditions, subject to a Permanent Adjustment (if any)**][**means the sum of the **[*insert issue specific entitlements as applicable*]]**;

"**Asset Execution Procedure**" has the meaning given to it in the Issue Specific Terms and Conditions;

"**Authorised Participant**" means any entity supervised by a financial supervisory authority in a member state of the European Economic Area, the United Kingdom, Canada, Australia, Singapore, New Zealand, Japan, Switzerland, Hong Kong (SAR) or the United States which has been appointed by the Issuer as an authorised participant as specified in Condition 10.1 (*Appointment*) below, that has entered into an Authorised Participant Agreement with the Issuer. Authorised Participants may be appointed, or their appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions;

"**Authorised Participant Agreement**" means, in respect of an Authorised Participant, the authorised participant agreement (as amended, supplemented, novated and/or replaced from time to time) entered into by the Issuer and such Authorised Participant;

["**Basket**" means a basket of Underlying Assets initially composed as specified below in Part II, which are the components of the Basket on any given day. The Issuer reserves the right, within its reasonable discretion, to adjust said weightings by distributing weights, attributed to any Unsupported Underlying Asset comprised in the Basket, among Underlying Assets comprised in the Basket (denoted "i"), such that the total sum of the weightings is equal to 100.00 percent;**]**

"**Bond Currency**" means the currency of denomination of the Bonds, which is **[**EUR**] [**USD**] [**CHF**] [●]**;

"**Bonds**" means the bonds to which these Terms and Conditions relate;

"**Bondholder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Bonds and shall include those persons who are the beneficiaries of Secured Redemptions Obligations or Secured Settlement Obligations;

"**Bondholder Account**" has the meaning given to it in the Issue Specific Terms and Conditions below;

"**Bondholders' Representative**" has the meaning given in Condition 18.7 of these General Terms and Conditions;

"**Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which (i) the Clearing System, (ii) the banks in **[**Frankfurt am Main, London and New York**][***insert relevant business centres***][**, (iii) T2 (the real time gross settlement system operated by the Eurosystem), or any successor system thereto ("**TARGET**") settle payments,**]** and **[**(iii)**][**(iv)**]** the Depositary is open for dealings in the Underlying Asset;

"**Cash Redemption**" means in relation to the Redemption of any Bonds, settlement of the Secured Redemption Obligations in respect by payment of the Redemption Amount in cash and in accordance with the Issue Specific Terms and Conditions below;

"**Custodian**" has the meaning given in Condition 20.4 of these General Terms and Conditions;

["**Covered Call Transfer Amounts**" means a positive or negative amount of the Underlying Assets and/or cash received or transferred in connection with the Covered Call Transaction;**]**

["**DeFi Transfer Amounts**" means a positive or negative amount of the Underlying Assets and/or cash received or transferred as a result of utilizing the Cryptocurrency in DeFi Activities;**]**

"**Delivery Precision Level**" means **[●]** subject to rounding as specified in Condition 8.6 (*Rounding*) of these General Terms and Conditions;

"**Diminishing Expense Ratio**" or "**DER**" is the rate per annum at which the **[**Asset Entitlement**][**Single Component Entitlement**]** is reduced over time. The DER applicable to the Bonds as of the Issue Date is **[●]**. The DER applicable to any future (but not past) periods of time may be varied by the Issuer from time to time by giving notice pursuant to Condition 19 (*NOTICES*) of these General Terms and Conditions. An increase of the DER will not take effect for at least 14 (fourteen) days following the publication of the relevant notice.

"**Depo Bank**" means the entity specified in Condition 10.1 (*Appointment*) below, a financial institution(s) that the Issuer has designated as the Depo Bank to maintain the Issuance Account on behalf of the Issuer or any successor or replacement Depo Bank. The Depo Bank may be appointed or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;*

"**Depositary**" means the entity specified in Condition 10.1 (*Appointment*) of these General Terms and Conditions below, a financial institution(s) that the Issuer, from time to time, has designated as the Depositary for its holdings of the Underlying Asset or any additional, successor or replacement Depositary. The Depositary may be appointed or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;*

["**Depositary Agreement**" means any custody agreement (as amended, supplemented, novated and/or replaced from time to time) entered into by the Issuer and each Depositary and any other relevant party as specified within the Issue Specific Option;**]**

"**Determination Agent**" means the entity specified in Condition 10.1 (*Appointment*) of these General Terms and Conditions below, an entity that the Issuer, from time to time, has designated as a Determination Agent to make certain determinations which may be required under these General Terms and Conditions. The Determination Agent may be appointed or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;*

"**Disruption Event**" shall have the meaning as provided in Condition 2.9 (*Disruption Events*) of the Issue Specific Terms and Conditions below;

"**Event of Default**" has the meaning given in Condition 14.1 (*Events of Default*) of these General Terms and Conditions;

"**Execution Agent**" means the entity specified in Condition 10.1 (*Appointment*) of these General Terms and Conditions below, a financial institution(s) that the Issuer, from time to time, has designated as an Execution Agent to perform relevant exchanges of any Underlying Asset which may be required under these General Terms and Conditions. The Execution Agent may be appointed or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;*

"**Execution Agency Agreement**" means an agreement entered into between the Issuer and an Execution Agent, appointing the Execution Agent and the fees, terms and conditions in respect of which it acts in such role;

"**Exercise Fee**" means a fee that may be charged by the Issuer upon a Voluntary Redemption, to be no higher than **[●]**;

"**FATF**" means The Financial Action Task Force (on Money Laundering), an intergovernmental organization founded in 1989 to develop policies to combat money laundering;

["**Fiat Execution Agent**" means the entity specified in Condition 10.1 (*Appointment*) of these General Terms and Conditions below, a financial institution(s) that the Issuer, from time to time, has designated as a Fiat Execution Agent. The Fiat Execution Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;***]**

"**Final Redemption Date**" means the **[●]** Business Day following the Final Trading Date;

"**Final Trading Date**" means the date specified by the Issuer in relation to the Bonds pursuant to Condition 7.1 (*Mandatory Redemption on Termination)* of these General Terms and Conditions*;*

"**Fiscal Agent**" means the entity specified in Condition 10.1 (*Appointment*) of these General Terms and Conditions below, a financial institution(s) that the Issuer, from time to time, has designated as a Fiscal Agent. The Fiscal Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;*

["**FX Hedging Transfer Amounts**" means a positive or negative amount of the Underlying Assets and/or cash received from or transferred to the FX Counterparty in connection with the FX Hedging Transaction;**]**

["**FX Counterparty**" means the entity specified in Condition 10.1 (*Appointment*) of these General Terms and Conditions below, a financial institution(s) that the Issuer, from time to time, has designated as a counterparty to carry out the foreign exchange hedge on behalf of the Issuer. The FX Counterparty may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;***]**

"**German Security and Security Trust Agreement**" has the meaning given in Condition 11.1 (*Appointment*) of these General Terms and Conditions;

["**Index**" means **[●]**;**]**

["**Index Sponsor**" means the entity specified in Condition 10.1 (*Appointment*) below, a financial institution(s) that the Issuer, from time to time, has designated as an index sponsor to create and administrate an index. The Index Sponsor may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;***]**

["**Investment Manager**" means the entity specified in Condition 10.1 (*Appointment*) of these General Terms and Conditions below, that the Issuer, from time to time, has designated as an investment manager to carry out the investment activities on behalf of the Issuer. The Investment Manager may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;***]**

"**Issuance Account**" means a securities account or accounts maintained by the Depo Bank on behalf of the Issuer where Bonds which are (i) beneficially owned by the Issuer; and (ii) pledged in favour of Bondholders, Security Trustee and Bondholder's Representative (if appointed) are held or registered. The Issuer can change the Issuance Account and/or add additional Issuance Accounts pursuant to the Security Documents; Initial Issuance Account details are as follows: **[●]**. For the avoidance of doubt, the Issuer may have other securities account(s) with the Depo Bank or other financial institutions where it may hold Bonds in its capacity as a Bondholder which are not subject to the Security, and (i) such account(s) are not considered Issuance Account(s); and (ii) such Bonds are not considered Issuer-Owned Bonds;

"**Issuance Account Control Agreement**" means the issuance account control agreement entered into between the Issuer, the Depo Bank and the Security Trustee, which stipulates how the Depo Bank maintains the security account(s) on behalf of the Issuer, together with the rights and obligations of the Issuer, the Depo Bank and the Security Trustee;

"**Issue Date**" means **[●]**;

"**Issuer**" means Bitwise Europe GmbH;

"**Issuer Cash Account**" means each cash account established by the Issuer with any reputable bank, financial institution or credit institution in order to receive and hold cash proceeds in respect of the relevant Underlying Asset(s);

"**Issuer Insolvency Event**" means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer (including, without limitation, where insolvency proceedings are opened against the Issuer pursuant to section 27 et seq. of the German Insolvency Code (Insolvenzordnung, "**InsO**") or where, according to section 35 InsO, the assets of the Issuer are deemed to form part of the insolvency estate (Insolvenzmasse); this enumeration being non-exhaustive); (5) institutes or has instituted against it any other proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (8) (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts, **provided that** no action taken by the Security Trustee in respect of the Issuer pursuant to a Security Document shall constitute an Issuer Insolvency Event;

"**Issuer-Owned Bonds**" means the Bonds held in the Issuance Account, pledged as Security for the benefit of the Bondholders, Security Trustee and Bondholder's Representative (if appointed) under the Security Documents and are not considered Outstanding Bonds. Any disposal of Issuer-Owned Bonds from the Issuance Account is subject to approval by the independent Administrator;

"**Issuer Technical Amendment**" means a modification to the General Terms and Conditions, the Issue Specific Terms and Conditions and/or any Programme Document which is made as a consequence of the occurrence of an Adjustment Event, provided that:

(a) the adjustments so agreed have the consequence that at the time of the adjustments there is no negative impact to the Asset Entitlement in respect of the relevant Bonds; and

(b) the adjustments do not take effect until at least three calendar days have elapsed after they have been announced to the Bondholders in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions (the date on which such adjustments taking effect, being the "**Adjustment Effective Date**")

"**KYC Documents**" means the adequate documents, as reasonably specified in the Redemption Form and solely determined by the Issuer, that are used to verify the identity of an individual or organisation for the purpose of Know Your Customer (KYC) compliance;

["**Leveraged Exposure**" means a **[**Leveraged Long Exposure**] [**and/or**] [**Leveraged Short Exposure**]** to the Underlying Asset, whereby the direction and magnitude of the leveraged exposure corresponds to the Leverage Factor;**]**

["**Leveraged Exposure Transfer Amounts**" means a positive or negative amount of the Underlying Assets and/or cash received or transferred as a resulting from the Leveraged Exposure Transactions;**]**

["**Leverage Factor**" means the applied leverage factor specified in Part II below.;

["**Leveraged Long Exposure**" means a leveraged long exposure to the Underlying Asset;**]**

["**Leveraged Short Exposure**" means a short inversed leveraged exposure to the Underlying Asset;**]**

"**Loss**" means any loss, liability, cost, claim, damages, 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;

"**Mandatory Cash Redemption Sale Date**" means the **[**second**] [●]** Valuation Date following the Final Redemption Date, or such other Valuation Date(s) as may otherwise be determined by the Issuer, acting reasonably to facilitate an orderly Mandatory Redemption;

"**Mandatory Redemption**" means the ability of the Issuer to Redeem the Bonds, as further described in Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of these General Terms and Conditions;

"**Mandatory Redemption Date**" means the date published in the Mandatory Redemption Notice;

"**Mandatory Redemption Event**" has the meaning given in Condition 7.2 (*Mandatory Redemption Events*) of these General Terms and Conditions;

"**Mandatory Redemption Notice**" has the meaning given in Condition 7.2 (*Mandatory Redemption Events*) of these General Terms and Conditions;

"**Mandatory Redemption Notice Date**" means in relation to any Redemption pursuant to Condition 7.2 (*Mandatory Redemption Events*) of the General Terms and Conditions the date specified by the Issuer as such in accordance with that Condition and in relation to any Redemption pursuant to Condition 7.3 (*Mandatory Redemptions*) of these General Terms and Conditions the date specified by the Issuer as such in accordance with that Condition;

"**Mandatory Redemption Price**" means, per Bond, the cash amount, in Bond Currency or a fiat currency published in the Mandatory Redemption Notice, equal to the proceeds of the sale of the relevant Underlying Asset amounting to the Asset Entitlement as of the Mandatory Redemption Date less any reasonable third-party fees related to Redemption of the Bonds.

"**Mandatory Redemption Settlement Date**" means in respect of a Mandatory Redemption, the **[●]** Business Day following the date on which the Issuer has received in full cleared funds in the Issuer's Cash Account the proceeds of the sale of the relevant Underlying Asset in respect of the Bonds being Redeemed.

["**NAV Calculation Agent**" means the entity specified in10.1 (*Appointment*) below, a financial institution(s) that the Issuer, from time to time, has designated as a NAV Calculation Agent. The NAV Calculation Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;*]

"**Necessary Redemption Actions**" means all actions, which may be required by the Issuer in order to make the relevant Underlying Asset(s) available for transfer and divestment after previously making use of the Underlying Asset(s) in accordance with the purposes set out in Condition 15.4 (*Allowed Use of the Deposited Underlying Assets*) of these General Terms and Conditions.

For the avoidance of doubt: Any actions required by the Issuer to make the relevant Underlying Asset(s) available for transfer, which are required after making use of the Underlying Asset(s) in a manner not in accordance with Condition 15.4 (*Allowed Use of the Deposited Underlying Assets*) of these General Terms and Conditions, shall not be deemed a Necessary Redemption Action;

"**Notice**" means a notice given by the Issuer in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions (and "**Notices**" and "**Notified**" shall be construed accordingly);

"**Notice Deadline**" means **[**16:00**][●]** and **[**16:15**][●] [**(EST)**][**(CET)**][(**GMT**)][(**UTC**)]**;

"**Non-AP Bondholder**" means a Bondholder that is not also an Authorised Participant;

"**Operating Procedures Manual**" means the operating procedures manual of the Issuer in respect of subscription and redemption, as amended from time to time, which is made available by the Issuer to the Authorised Participant upon request;

"**Outstanding Amount**" means, at any given time, the total number of Outstanding Bonds multiplied by the Asset Entitlement;

"**Outstanding Bonds**" means Bonds issued and placed with Bondholders that have not yet been repurchased or otherwise cancelled by the Issuer (excluding, for the avoidance of doubt, Issuer-Owned Bonds as well as Bonds held by the Issuer in other securities account(s) with the Depo Bank or other financial institution in its capacity as a Bondholder which are not subject to the Security);

Any Bonds which are held by the Issuer in its capacity as a Bondholder on any securities account other than the Issuance Account are considered Outstanding Bonds and not Issuer-Owned Bonds, with the Issuer maintaining all rights in respect of such Bonds including, but not limited to, the right to pledge such Bonds for the benefits of third parties or to dispose of them on the secondary market;

["**Partially Failed Execution**" has the meaning given in Condition **[**6.4**] [**and**] [**7.4**]** of the **[**respective**]** Issue Specific Terms and Conditions**]**;

"**Paying Agent**" means the entity specified in Condition 10.1 (*Appoinment*) below, a financial institution(s) that the Issuer, from time to time, has designated as a Paying Agent to distribute cash payments (if any) to the Bondholders on behalf of the Issuer. The Paying Agent may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of these General Terms and Conditions*;*

"**Permanent Adjustment**" means, following a Secured Accounts Disruption and/or following a Service Provider Disruption – Assets, as further described in the Issue Specific Terms and Conditions below, an adjustment of the Asset Entitlement;

"**Physical Redemption**" means in relation to the Redemption of any Bonds, settlement of the Secured Redemption Obligations in respect thereof by delivery of the Underlying Assets in accordance with the provisions further specified in the Condition 2.1(a)(i) of the Issue Specific Terms and Conditions below;

"**Principal Amount**" means, in respect of any Bond, **[●]**;

"**Programme Document**" means each of the Security Documents and each agreement concluded with the Transaction Partner(s) governing their rights and obligations in the relevant capacity as particular Transaction Partner;

"**Programme Party**" means a party to the Programme Documents other than the Issuer and the Bondholders;

"**Prospectus**" means the base prospectus of the Issuer in relation to the Bonds, as the same may be modified, supplemented or amended from time to time;

"**Qualified Majority**" has the meaning given in Condition 18.4 of these General Terms and Conditions;

["**Record Date**" means the Business Day immediately prior to the date for payment;**]**

"**Redemption**" means the redemption of Bonds by the Issuer in accordance with these General Terms and Conditions (and "**Redeem**" and "**Redeemed**" shall be construed accordingly);

"**Redemption Amount**" means, per Bond:

(a) in the case of Physical Redemption, the amount in the Underlying Asset equal to the Asset Entitlement as of the Voluntary Redemption Date, less any applicable Redemption Deductions and, in case of a Voluntary Redemption, the Exercise Fee; or

(b) in the case of Cash Redemption, the amount in Bond Currency obtained from the sale of the units of the Underlying Asset corresponding to the Asset Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable), less any applicable Redemption Deductions and, in case of a Voluntary Redemption, the Exercise Fee;

in each case, calculated as at the Voluntary Redemption Settlement Date or Mandatory Redemption Settlement Date, as applicable, and to the precision as specified by the Delivery Precision Level, taking into account any Permanent Adjustment, and in each case unless "**Agreed Pricing**" is applicable, whereby, in such case, the Redemption Amount shall be the amount equal to the Asset Entitlement, (i) as previously agreed between the relevant Authorised Participant and the Issuer, (ii) as determined in accordance with (a) above in the case of Physical Redemption, or (b) above in the case of Cash Redemption and (iii) in each case taking into account the interests of Bondholders and in a commercially reasonable manner.

"**Redemption Deductions**" has the meaning given to it in the Issue Specific Terms and Conditions below;

"**Redemption Delivery Procedures**" means the procedure for physical delivery of Underlying Asset(s) to which a Bondholder is entitled upon a Physical Redemption of the Bonds, in accordance with the Issue Specific Terms and Conditions below;

"**Redemption Form**" means a request delivered to the Issuer to redeem Bonds in such form as determined by the Issuer and includes a notice for the redemption of a number of Bonds (such notice referred to as a "**Redemption Order**"), whereby such form (i) may vary depending on whether the Bondholder is an Authorised Participant or a Non-AP Bondholder and on the method of Redemption required or elected for the Bonds and (ii) will be provided by the Issuer upon request of the relevant Bondholder);

"**Redemption Notice Date**" mean a Business Day on which a valid Redemption Form is received provided that a Redemption Form received after such time as set out in the Operating Procedures Manual on a Business Day will be treated as having been received on the next Business Day;

"**Redemption Payment Procedure(s)**" means the procedure for Cash Redemption of the Underlying Asset(s) to which a Bondholder is entitled upon a Voluntary Cash Redemption or a Mandatory Cash Redemption of the Bonds, as applicable, in accordance with the Issue Specific Terms and Conditions below;

"**SchVG**" has the meaning given in Condition 18.3 of these General Terms and Conditions;

"**Secured Accounts Disruption**" means that the Underlying Asset held as Secured Property with respect to the Bonds has been affected or is (in the reasonable expectation of the Issuer) permanently inaccessible, other than where permitted in accordance with these General Terms and Conditions, the Issue Specific Terms and Conditions below and the relevant Programme Documents and subject to applicable law.

"**Secured Custody Account**" has the meaning given in the Issue Specific Terms and Conditions below;

"**Secured Custody Account Control Agreement**" means the secured custody account control agreement entered into between the Issuer, the Depositary and the Security Trustee, which stipulates how the Depositary holds the Underlying Assets on behalf of the Issuer, together with the rights and obligations of the Issuer, the Depositary and the Security Trustee;

"**Secured Obligations Amount**" means the sum of the Secured Settlement Obligations Amount, the Outstanding Amount and the Secured Redemption Obligations Amount;

"**Secured Property**" means the assets that are subject to the Security created by the Security Documents in relation to the Bonds;

"**Secured Property Agreement**" means the secured property agreement entered into between the Issuer and the Security Trustee, which grants the security interest in the Deposited Underlying Assets and Secured Custody Account for the benefit of the Bondholders, Security Trustee and Bondholder's Representative (if appointed);

"**Secured Redemption Obligations**" means obligations of the Issuer to (i) settle the Asset Entitlement with respect of those Bonds which are Redeemed at the discretion of the Issuer due to a Mandatory Redemption Event in the Underlying Asset, as further described in Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of these General Terms and Conditions; or (ii) to transfer the Asset Entitlement to the Bondholders exercising the Voluntary Redemption with settlement in the Underlying Asset, as further described in Condition 6 (*VOLUNTARY REDEMPTION*) of these General Terms and Conditions;

"**Secured Redemption Obligations Amount**" means the amount in the Underlying Asset and cash received in connection with the Allowed Used of the Deposited Underlying Assets (if any) of those Secured Redemption Obligations which are not yet fulfilled by the Issuer and remain outstanding;

"**Secured Settlement Obligations**" means obligations of the Issuer to transfer Bonds to the Authorised Participant subscribing to or purchasing Bonds from the Issuer in the primary market, but only if such subscribing or purchasing Authorised Participant has transferred (or arranged to be transferred) at least the Asset Entitlement (to be calculated as of the date of the subscription or purchase of the Bonds in the primary market per Bond being subscribed or purchased in the primary market to the Secured Custody Account **[**and (ii) any cash premium required for the Issuer to enter into the FX Hedging Transaction (if applicable) to such Bonds being subscribed or purchased in the primary market**]**;

"**Secured Settlement Obligations Amount**" means the amount in the Underlying Asset (aggregate Asset Entitlement of the Bonds to be settled) **[**and cash amounts received by the Issuer as premium to enter into FX Hedging Transactions in relation to the Bonds to be settled**]** of those Secured Settlement Obligations which are not yet fulfilled by the Issuer and remain outstanding;

"**Security**" **[**has the meaning given in Condition 4.2 (*Security*) of these General Terms and Conditions**] [**means a mortgage, charge, lien or other security interest over the Secured Property securing any obligation of the Issuer or any agreement or arrangement having a similar effect**]**;

"**Security Documents**" means (a) the German Security and Security Trust Agreement entered into between the Issuer and the Security Trustee; (b) the Secured Property Agreement entered into between the Issuer and the Security Trustee, (c) the Secured Custody Account Control Agreement entered into between the Issuer, the Security Trustee and the Depositary; (d) the Issuance Account Control Agreement entered into between the Issuer, the Depo Bank and the Security Trustee; (e) any other agreement or document granting, acknowledging, perfecting or giving legal effect to Bondholder's security interest in the Secured Custody Account and/or the Deposited Underlying Assets; or (f) any other agreement or document granting, acknowledging, perfecting or giving legal effect to Bondholder's security interest in the Issuance Account and/or Issuer-Owned Bonds;

"**Security Trustee**" means **[●]**, a security trustee which holds the security interest in (i) the Secured Custody Account and the deposited Underlying Asset and (ii) the Issuer-Owned Bonds held in the Issuance Account for the benefit of the Bondholders, Security Trustee and Bondholder's Representative (if appointed) or any successor or replacement security trustee. The Security Trustee may be appointed or such appointment terminated by the Issuer pursuant to Condition 11 (*SECURITY TRUSTEE*) of these General Terms and Conditions;

"**Service Provider Disruption**" means a Service Provider Disruption – Assets and/or a Service Provider Disruption – Depositary **[**and/or a Service Provider Disruption – Investment Manager**]**;

"**Service Provider Disruption - Assets**" means, save as otherwise agreed in the relevant Programme Document(s), that any of the Depositary for the Bonds resigns or its/their appointment is terminated for any reason and, while a successor or replacement has been appointed, such successor or replacement does not cover the Underlying Asset comprising the Asset Entitlement for the Bonds;

"**Service Provider Disruption - Depositary**" means (a) save as otherwise agreed in the relevant Programme Document(s), that any of the Depositary for the Bonds resigns or its/their appointment is terminated for any reason and a successor or replacement has not yet been appointed and (b) applies for such time until a successor or replacement has been appointed or notice for Mandatory Redemption has been given under Condition 7.2 (*Mandatory Redemption Events*) of these General Terms and Conditions

["**Service Provider Disruption – Investment Manager**" means (a) save as otherwise agreed in the relevant Programme Document(s), that any of the Investment Managers for the Bonds resigns or its/their appointment is terminated for any reason and a successor or replacement has not yet been appointed and (b) applies for such time until a successor or replacement has been appointed or notice for Mandatory Redemption has been given under Condition 7.2 (*Mandatory Redemption Events*) of these General Terms and Conditions ;**]**

["**Single Component Entitlement**" shall have the meaning as provided in Issue Specific Annex **[●]** below;**]**

"**Suspended Day**" or "**Suspended Period**" has the meaning given to it in the Issue Specific Terms and Conditions below;

["**Suspension Notice**" has the meaning given to it in Condition 2.10 (*Determination of Disruption Events and Suspension*) of the Issue Specific Terms and Conditions below**]**;

"**Substitute Debtor**" has the meaning given in Condition 16.1 of these General Terms and Conditions;

"**Termination Notice**" has the meaning given in Condition 14.2 (*Termination Notices*) of these General Terms and Conditions;

["**Totally Failed Execution**" has the meaning given in Condition **[**6.2**]** **[**and**]** **[**7.2**]** of the **[**respective**]** Issue Specific Terms and Conditions below**]**;

"**Trading Disruption**" means, in respect of any of the Underlying Assets comprising the Asset Entitlement for the Bonds either: (a) trading and/or settlement in the or any of the relevant Underlying Asset(s) is subject to a material suspension or material limitation on any primary exchange or trading facility for the trading of such Underlying Asset(s); or (b) any primary exchange or trading facility for the trading of the or any of the relevant Underlying Asset(s) is not open for trading for any reason (including a scheduled closure); or (c) trading in the or any of the relevant Underlying Asset(s) on any primary exchange or trading facility for the trading of such Underlying Asset(s) has been permanently discontinued or has disappeared;

"**Underlying Asset**" means an asset or asset(s) as specified in the Issue Specific Terms and Conditions below;

["**Unsupported Underlying Asset**" means any asset or asset(s) that the Issuer notifies the Bondholders of in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions provided that the Issuer may revoke the designation of an asset as an Unsupported Underlying Asset **[**on any Business Day**]****[**only if the relevant day is a Rebalance Day**]**;

[In the event the Issuer revokes the designation of an asset as an Unsupported Underlying Asset thereby including such asset in the definition of Basket, the Single Component Entitlement applicable to any future (but not the past) periods of time shall be determined in accordance with the "Single Entitlement Entitlement" formula set out in Issue Specific Annex A – Index Entitlement below;

In the event the Issuer designated an asset as an Unsupported Underlying Asset, and the effective date of such designation is not a Rebalance Date, the Issuer shall perform an unscheduled rebalance of all Single Component Entitlements according to the formulas set out in Issue Specific Annex A – Index Entitlement below as if such date was a Rebalance Day where affected asset was excluded from the Index (and, accordingly, from the Basket).**]**

"**Valuation Date**" means a day which is a (i) Business Day, (ii) a day on which the relevant Underlying Asset(s) can be traded in the relevant market and (iii) a day on which the relevant Custodian(s) is/are open for dealings in the Underlying Assets, or as may otherwise be set out on the Website;

"**Voluntary Cash Redemption**" means, if permitted under Condition 2 (*REDEMPTION OF BONDS*) of the Issue Specific Terms and Conditions, in relation to the Redemption of the Bonds, settlement of the Redemption Obligations in respect thereof by payment of the Redemption Amount in cash and in accordance with Condition 2.5 (*Payment of Cash upon Voluntary Redemption)* of the Issue Specific Terms and Conditions set out below*;*

"**Voluntary Redemption**" means the Redemption of Bonds at the option of one or more Bondholders, in accordance with Condition 6 (*VOLUNTARY REDEMPTION*) of these General Terms and Conditions;

"**Voluntary Redemption Limit**" means, in relation to the Bonds, the minimum and/or maximum Redemption Amount set out in the Operating Procedures Manual;

"**Voluntary Redemption Settlement Date**" means the date determined in accordance with the following provisions and as specified as such in the relevant Redemption Form:

(a) if Physical Redemption applies, the **[●]** Business Day following the completion of the Necessary Redemption Actions by the Issuer; and

(b) if Cash Redemption applies, the **[●]** Business Day following the date on which the Issuer has received in full cleared funds in the Issuer's Cash Account the proceeds of the sale of the relevant Underlying Asset(s) in respect of the Bonds being Redeemed;

"**Website**" means the Issuer's official website at https://bitwiseinvestments.eu.

2. FORM

2.1 Form

The Bonds are being issued in form of bearer bonds within the meaning of § 793 of the German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**").

2.2 Redemption

The Bonds do not have a fixed maturity date.

2.3 Global Note

The Bonds are represented by a global note (the "**Global Note**") without coupons. The Global Note shall be signed by or on behalf of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive certificates representing individual Bonds and coupons will not be issued and the right of the Bondholders to request the issue and delivery of definitive bonds shall be excluded.

2.4 Clearing System

The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Bonds have been satisfied. "**Clearing System**" means Clearstream Europe AG, Mergenthalerallee 61, 65760 Eschborn, Germany and any successor in such capacity.

3. SERIES AND SUBSCRIPTION RESTRICTIONS

3.1 Rights of the Bondholders

Each Bond represents the right of the Bondholder to demand and receive from the Issuer:

(a) delivery of the Underlying Asset in accordance with Condition 6 (*VOLUNTARY REDEMPTION*) of the General Terms and Conditions and Condition 2 (*REDEMPTION OF THE BONDS*) of the Issue Specific Terms and Conditions below; and/or

(b) payment of a cash amount determined in accordance with Conditions 6 (*VOLUNTARY REDEMPTION*) and 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions and Conditions Condition 2 (*REDEMPTION OF THE BONDS*) and 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of the Issue Specific Terms and Conditions below in fulfilment of its delivery claim to the Underlying Asset pursuant to (a) above.

3.2 Subscription Restrictions

The Bonds may only be subscribed or purchased by Authorised Participants from the Issuer in the primary market subject to the provisions set out in the Operating Procedures Manual.

Subscriptions for any Bonds must be made by an Authorised Participant submitting a subscription order in accordance with the terms of the Operating Procedures Manual. For any such subscription order to be valid, it must:

(a) be in the form as set out in the Operating Procedures Manual, validation to be determined by or on behalf of the Issuer;

(b) specify the number of Bonds which is more than the Subscription Minimum and its acceptance will not cause the Programme Maximum Number of Bonds to be exceeded;

(c) be signed by a person nominated by the Authorised Participant and the Issuer to confirm an application; and

(d) be confirmed by or on behalf of the Issuer.

4. STATUS AND SECURITY

4.1 Status

The obligations under the Bonds constitute direct, unsubordinated, limited recourse and secured obligations of the Issuer ranking *pari passu* among themselves with Secured Redemption Obligations and Secured Settlement Obligations.

4.2 Security

As continuing security for the payment and discharge of the obligations to the Bondholders under the Bonds the Issuer pledges and assigns, as applicable, in favour of the Bondholders, the Security Trustee and the Bondholders' Representative (if appointed) pursuant to the Security Documents (i) all of its rights, title, interest and benefit, present and future, in, to and under the Secured Custody Account and the Deposited Underlying Assets; **[**and **]**(ii) all of its rights, title, interest and benefit, present and future, in, to and from the Issuer-Owned Bonds **[[**and**][;]** (iii) all of its rights, title, interest and benefit present and future in, to and from the amounts due from the FX Counterparty due under the FX Hedging Transaction**] [[**and**][;] ([●])** all of its rights, title, interest and benefit present and future in, to and from the amounts due from the Investment Manager due under the DeFi Activities**] [[**and**][;] ([●])** all of its rights, title, interest and benefit present and future in, to and from the amounts due under the Covered Call Transaction**] [[**and**][;] ([●])** all of its rights, title, interest and benefit present and future in, to and from the amounts due under the Leveraged Exposure Transaction**]** (the "**Security**") whereby, as further set out in Condition 15.3 (*Deposited Underlying Assets*) of these General Terms and Conditions below and the Security Documents, the amount of Deposited Underlying Assets held by the Issuer in the Secured Custody Account may be reduced from time to time and may be less that the Secured Obligations Amount. Details of the accounts and the terms and conditions of the respective pledges and assignments shall be stipulated in the Security Documents between the Security Trustee and the Issuer. The Security will be held, administered and enforced by the Security Trustee in accordance with the German Security and Security Trust Agreement.

4.3 Enforcement of Security constituted by the Security Documents

The Security constituted by the applicable Security Documents in respect of the Bonds shall become enforceable upon the occurrence of an Issuer Insolvency Event or an Event of Default pursuant to Condition 14 (*EVENTS OF DEFAULT*) of these General Terms and Conditions below.

4.4 Realisation of Security constituted by the Security Documents

The Security shall be released in accordance with the provisions of the German Security and Security Trust Agreement.

4.5 Limited recourse

It is the Issuer's intention that assets comprising Security shall always be sufficient to satisfy all of the obligations arising in connection with the Bonds (by operation of these Terms and Conditions, including without limitation procedures put in place where the Administrator has to approve (i) issuances of new Bonds on the primary market only against the deposit of appropriate assets to become part of the Security, and (ii) any release of assets from the Security). However, in the event assets comprising the Security are insufficient to cover all or some of the liabilities arising in connection with the Bonds, subject to mandatory legal provisions, Bondholders shall have no claim against: (i) general assets of the Issuer or any affiliated party not comprising the Security; (ii) assets comprising pools pledged for the benefit of holders of other securities issued by the Issuer, which are not Bonds; or (iii) any other assets which are not part of the Security.

5. INTEREST

There will be no payment of interest on the Bonds.

6. VOLUNTARY REDEMPTION

6.1 Redemption Entitlement

A right to Redemption under this Condition 6 (*VOLUNTARY REDEMPTION*) of these General Terms and Conditions or Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of these General Terms and Conditions will entitle the relevant Bondholder to an Asset Entitlement as set out in the Issue Specific Terms and Conditions below.

6.2 Redemption by Authorised Participants

A Bondholder who is an Authorised Participant may (subject as provided herein) require the Issuer to Redeem all or part of its holding of Bonds, by submitting a valid Redemption Form. Redemption Delivery Procedure shall apply to such Redemption save that Redemption Payment Procedures will apply in the circumstances specified in Condition 2.6(a)(ii) (*Payment of Cash upon Voluntary Redemption*) of the Issue Specific Terms and Conditions below.

6.3 Redemption by Non-AP Bondholders

(a) A Non-AP Bondholder may (subject to Condition 6 (*VOLUNTARY REDEMPTION*) of these General Terms and Conditions and Condition 2 (*REDEMPTION OF BONDS*) of the Issue Specific Terms and Conditions below) require the Issuer to Redeem all or part of its holding of Bonds by submitting a valid Redemption Form, whereby the Non-AP Bondholder may request Redemption Payment Procedures to apply to such Redemption in fulfilment of its delivery claim to the Underlying Asset.

(b) Settlement of the Redemption Obligations in respect of the relevant Bonds will be effected in accordance with the Redemption Delivery Procedures and/or, if so requested by the relevant Non-AP Bondholder, Redemption Payment Procedures (as appropriate) as set out in the Issue Specific Terms and Conditions below.

(c) A Non-AP Bondholder desiring to redeem Bonds must make Acceptable Delivery of Bonds. Redemption Forms will not be treated as having been validated until the Bonds to be Redeemed have been so delivered to the Issuer.

6.4 Redemption Form

A Redemption Form:

(a) must be in writing;

(b) must specify the number and ISIN or other unique identifier of the Bonds to be Redeemed;

(c) must:

(i) in respect of a Redemption Form submitted by a Non-AP Bondholder, be signed by the Non-AP Bondholder or by an authorized signatory on behalf of it; or

(ii) in respect of Redemption Form submitted by an Authorised Participant, be authenticated by such other method as described in the Operating Procedures Manual; and

(d) is irrevocable once it has been submitted to the Issuer.

6.5 Suspension of Redemptions

The Issuer may suspend the right to request Redemptions or the settlement of Redemptions of Bonds, in accordance with the provisions set out in Conditions 2.7 (*Suspension of Redemptions*) and 2.10 (*Determination of Disruption Events and Suspension*) of the Issue Specific Terms and Conditions below.

6.6 Fractional Assets

In case Redemption Delivery Procedures apply, the amount of the Underlying Asset(s) to be delivered will be rounded down to the Delivery Precision Level and any excess (if any) (the "**Fractional Assets**") will be kept for the benefit of the Issuer.

In case of Subscriptions, the amount of Underlying Asset(s) to be delivered will be rounded up to the Delivery Precision Level and any Fractional Assets will be kept for the benefit of the Issuer.

7. MANDATORY REDEMPTION BY THE ISSUER

7.1 Mandatory Redemption on Termination – Issuer Call Redemption Event

The Issuer may at any time, on giving an irrevocable notice to the relevant Bondholders in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions of a Business Day to be a Final Trading Date in respect of all Bonds, or only some of the Bonds, determine that all Bonds, or only some of the Bonds, are to be Redeemed mandatorily, provided that the date designated as the Final Trading Date shall not be earlier than **[**14**][**30**][●]** calendar days following the date of the relevant notice, as further specified in the Issue Specific Terms and Conditions below.

For the purposes of Condition 7.2 (*Mandatory Redemption Events*) of these General Terms and Conditions, a Mandatory Redemption Event in the form of an "Issuer Call Redemption Event" will occur on the Mandatory Redemption Settlement Date designated in the notice provided by the Issuer (or if such day is not a Business Day, on the first following Business Day).

7.2 Mandatory Redemption Events

Upon occurrence of a Mandatory Redemption Event (as defined below) the Issuer at its sole and absolute discretion may, (but is not obliged to) give notice to the Bondholders in accordance with Condition 19 of these General Terms and Conditions (*NOTICES*) (the "**Mandatory Redemption Notice**"), stating the applicable Mandatory Redemption Event. Upon giving a Mandatory Redemption Notice, the Bonds shall be Redeemed on the Mandatory Redemption Date at their Mandatory Redemption Price. A "**Mandatory Redemption Event**" is determined at the Issuer's sole and absolute discretion for **[**any event (including without limitation the lack of success in placing of the Bonds with investors) which in the sole and absolute discretion of the Issuer makes continuing the issuance of Bonds and/or maintaining Outstanding Bonds economically or practically not viable.**] [**one of the following events:

(a) for a continuous period of 90 (ninety) calendar days the Bond Currency Equivalent of the Outstanding Amount, calculated on each calendar day using the most recent published Reference Price(s) for the relevant Underlying Asset(s), is less than **[**100,000,000.00**][●] [**one hundred million**][●]**; or

(b) any new or existing law or regulation, or interpretation of any existing law or regulation, requires the Issuer to obtain any license, permission or approval, or to become regulated, registered or supervised in any way in Germany or elsewhere, to continue fulfilling its obligations under these Terms and Conditions, but excluding requirements to publish an approved prospectus with respect to the Bonds; or

(c) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom, the Federal Republic of Germany, or any other member state of the European Economic Area or any political subdivision or taxing authority thereto or therein affecting taxation, the tax treatment of the Underlying Assets in general changes materially, such change was not reasonably foreseeable at the Issue Date, and such change is in the assessment of the Issuer materially disadvantageous to the business of the Issuer (regardless of whether this affects the issuance of the Bonds); or

(d) any third-party service provider, including the Issuer's auditors, legal advisers, the Transaction Partners or the Security Trustee, stops providing services to the Issuer, and the Issuer fails to find a replacement within reasonable time; or

(e) if the Issuer was ordered by the competent court or otherwise became required by law to arrange for the Bonds to be mandatorily redeemed; or

(f) an Issuer Call Redemption Event occurs pursuant to Condition 7.1 (*Mandatory Redemption on Termination – Issuer Call Redemption Event*) above; or

(g) a Threshold Redemption Event occurs.**]**

7.3 Mandatory Redemptions

(a) If notice is given to Redeem Bonds mandatorily pursuant to Condition 7.1 (*Mandatory Redemption on Termination – Issuer Call Redemption Event*) or Condition 7.2 (*Mandatory Redemption Events*) of these General Terms and Conditions, all Bonds subject to such notice shall be Redeemed pursuant to the Redemption Payment Procedures as set out in these General Terms and Conditions and the Issue Specific Terms and Conditions below.

(b) If a Redemption pursuant to the Redemption Payment Procedures applies in accordance with the applicable Issue Specific Terms and Conditions, the holder of the Bonds being Mandatorily Redeemed acknowledges and agrees:

(i) to accept the Redemption Amount (less any Redemption Deductions; and less the Security Trustee's fees and expenses (if any)) in full settlement of the Redemption Obligations in respect of such Bonds;

(ii) that the Issuer makes no representations or warranties as to the price at which the relevant Underlying Asset(s) will be sold or the amount of the proceeds of sale realised from the sale of such Underlying Asset(s) and to notify the Issuer of the cash account of the relevant Bondholder; and

(iii) that the Issuer shall not be liable for any failure by any agent or Depositary in respect of any sale or transfer of any Underlying Asset pursuant to any transaction completed under the Redemption Delivery Procedures and Redemption Payment Procedures but in the event of any such failure, the Issuer shall to the extent practicable transfer or assign to the redeeming Bondholder its rights or claims in relation to such Underlying Asset whether under the Depositary Agreement, any other agreement with the Issuer under which the relevant agent or Depositary is appointed from time to time in relation to the Bonds or otherwise in satisfaction of all claims of such Bondholder in respect of the Bonds to be Redeemed and the Bondholder shall have no further claims against the Issuer or the Secured Property. **[**The Issuer shall be discharged by payment to, or to the order of, the Paying Agent.**]**

8. PAYMENTS, CALCULATIONS, AGENTS AND RECORDS

8.1 Payment net of taxes and transaction costs

All payments or deliveries under this Programme, including but not limited to payment or deliveries of Asset Entitlement in respect of the Bonds shall be made net of and after allowance for any withholding or deduction for, or on account of, any taxes or any costs and expenses relating to the Asset Entitlement or the relevant Redemption Delivery Procedures and Redemption Payment Procedures. In the event that any withholding or deduction for, or on account of, any Tax or any costs and expenses relating to the Asset Entitlement or the relevant Redemption Delivery Procedures and Redemption Payment Procedures applies to deliveries or payments in respect of the Bonds, the Bondholders will be subject to, and shall not be entitled to receive amounts to compensate for, any such Tax, any such costs and expenses relating to the Asset Entitlement or the relevant Redemption Delivery Procedures and Redemption Payment Procedures, or deduction or any other amounts withheld or deducted pursuant to Condition 8.3 (*Payments subject to fiscal laws*). No Event of Default shall occur as a result of any such withholding or deduction.

8.2 Payments

(a) Payments of principal in respect of the Bonds will, subject to Conditions 8.2(c) (*Payments*) and 8.3 (*Payments subject to fiscal laws*) of these General Terms and Conditions, be made against presentation and surrender of the relevant Bonds at the specified office of any Paying Agent outside the United States, by transfer to, an account denominated in such currency with a Bank. "**Bank**" means a bank in the principal financial centre of the currency of payment or, in the case of euros, a city in which banks in general have access to the T2 System.

(b) The obligations of the Issuer under the Terms and Conditions to make payments in respect of the Bonds will be discharged by payment to the Paying Agent for further forwarding to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System. The Issuer shall be discharged by payment to, or to the order of, the Paying Agent.

(c) **[**Notwithstanding the foregoing, if any amount payable in respect of such Bonds is payable in U.S. dollars, such U.S. dollar payments shall be made at the specified office of a Paying Agent in the U.S. if:

(i) the Issuer has appointed Paying Agents with specified offices outside the U.S. with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the U.S. of the full amount due in respect of the Bonds in the manner provided above when due;

(ii) payment of the full amount due at all such specified offices outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of the amount due in U.S. dollars; and

(iii) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.**]**

8.3 Payments subject to fiscal laws

All payments and/or deliveries of Asset Entitlement (as applicable) in respect of the Bonds will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 8.1 (*Payments net of taxes and transaction costs*) of these General Terms and Conditions and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 8.1 (*Payments net of taxes and transaction costs*) of these General Terms and Conditions). No commission or expenses shall be charged to the Bondholders in respect of such payments.

8.4 Calculations

(a) The Determination Agent will act, as soon as reasonably practicable on such date and/or at such time as the Determination Agent is required to perform such duties and obligations as are required to be performed by it.

(b) The calculation by the Determination Agent of any amount, price, rate or value required to be calculated by the Determination Agent under the relevant provisions shall be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the Bondholders and the Programme Parties.

8.5 Determination Agent

(a) Subject as provided in these Terms and Conditions, the Issuer shall use all reasonable efforts to procure that there shall at all times be a Determination Agent for so long as any of the Bonds are outstanding. If the Determination Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint a reputable entity that provides

services of a similar type to those required of the Determination Agent under the relevant provisions that the Issuer reasonably determines is capable of making the calculation(s) required to be made by the Determination Agent under the relevant provisions to act as such in its place.

(b) The Determination Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Bondholder, any other Programme Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Determination Agent of its obligations under these General Terms and Conditions and the other relevant provisions provided that nothing shall relieve the Determination Agent from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Determination Agent (any such act or omission, a "Determination Agent Breach").

(i) If the Determination Agent but for the operation of this Condition 8.5(b)(i) (*Determination Agent*), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Bondholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from either (i) the failure by any other Programme Party to provide any notice, instruction or direction which such Programme Party is required or permitted to give under the Terms and Conditions or any relevant Programme Document or (ii) a delay in the delivery by any other Programme Party of any notice, instruction or direction which such Programme Party is required or permitted to give to the Determination Agent under the Terms and Conditions or any relevant Programme Document.

(ii) If the Determination Agent would, but for the operation of this Condition 8.5(b)(ii) (*Determination Agent*), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Bondholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from the reliance by the Determination Agent upon a rate, amount, quotation, value or other calculation or determination notified to the Determination Agent pursuant to the Terms and Conditions and/or any relevant Programme Document which is made by another Programme Party in accordance with the Terms and Conditions and the terms of any relevant Programme Document.

(c) The Determination Agent has no obligation towards or relationship of agency or trust with any Bondholder.

(d) The Determination Agent has no duties or responsibilities except those expressly set forth in these General Terms and Conditions and the other relevant provisions and no implied or inferred duties or obligations of any kind will be read into these documents against or on the part of the Determination Agent. The Determination Agent will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Terms and Conditions or any other Programme Document unless otherwise agreed pursuant to the relevant provisions.

8.6 Rounding

For the purposes of any calculations required pursuant to the Terms and Conditions (unless otherwise specified), (i) any number of Underlying Assets to be delivered to the Issuer shall be rounded up to the Delivery Precision Level, (ii) any number of Underlying Assets to be delivered by the Issuer shall be rounded down to the Delivery Precision Level, (iii) all amounts of cash in the Bond Currency to be paid to the Issuer shall be rounded up to the nearest **[●]**, and (iv) all amounts of cash to be paid by the Issuer shall be rounded down to the nearest **[●]**, in each case as may be adjusted by the Issuer (or the Determination Agent on its behalf) from time to time, including to reflect changes in rounding conventions in the trading of the Underlying Assets or payments in the Bond Currency.

9. REDEMPTION OBLIGATIONS

9.1 Upon a valid Redemption Form having been submitted and its validity having been confirmed by the Issuer (or the Administrator on its behalf) in respect of the Bonds, the Bonds in respect of which it was given may not be transferred by the Bondholder (except to the Issuer), and the Issuer may refuse to recognise any subsequent transfer of any of those Bonds.

9.2 Where a Redemption Form has been submitted for the Redemption of Bonds, the Bondholder which holds those Bonds which are the subject of that Redemption must make Acceptable Delivery of the Bonds in question, by such date and time as further specified in the Operating Procedures Manual and/or the Redemption Form.

9.3 Where settlement of a Redemption of Bonds is delayed, the Bondholder shall not be entitled to receive any interest in respect of late delivery of the Asset Entitlement or other amounts due.

9.4 The Issuer may, at any time, notify a Bondholder that the Issuer, the Fiscal Agent or any Paying Agent may have to withhold or deduct from any delivery or payment (if applicable) that corresponds to the Redemption Form an amount for or on account of, any costs and expenses relating to the Asset Entitlement or the relevant Redemption Delivery Procedures and Redemption Payment Procedures, any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Bonds that may allow the Issuer to make such delivery or payment (as applicable) without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer by the relevant Bondholder or if it is not the beneficial owner of the Bonds held by such Bondholder and which are to be Redeemed, such beneficial owner, then any such payment will be reduced (and the matching obligation of the Issuer to deliver or to procure the delivery of the Asset Entitlement or other amount due to that Bondholder will also be reduced) by the amount of the withholding or deduction.

9.5 Without prejudice to the provisions of Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of the relevant Issue Specific Terms and Conditions below, but subject always to Condition 9.4 of these General Terms and Conditions and to Agreed Pricing, a Bondholder may elect to receive on redemption an amount in the Bond Currency equal to the Principal Amount less any Redemption Deductions in lieu of the amount otherwise specified in Condition 3.1(b) of these General Terms and Conditions. The Issuer acknowledges in the applicable Programme Document its indebtedness in respect of the aggregate Principal Amount.

10. TRANSACTION PARTNERS

10.1 *Appointment; Specified Offices*. The initial Administrator, Depo Bank, Depositary, **[**Determination Agent,**]** Execution Agent, Fiscal Agent, **[**Index Sponsor,**] [**Investment Manager,**]** Paying Agent, **[** Staking Provider**] [**and FX Counterparty**] [**and Fiat Execution Agent**] [**and NAV Calculation Agent**]** (each a "**Transaction Partner**" and collectively, the "**Transaction Partners**") will be as specified below and their initial specified offices shall be:

Administrator:

[Apex Corporate & Advisory Services Ltd,
Central North Business Centre Level 1
Sqaq il-Fawwara Sliema SLM1670,
Malta**]**

Depo Bank:

[Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany**]**

[ISP Securities AG
Bellerivestrasse 45
8008 Zurich
Switzerland**]**

Depositary:

[Anchorage Digital Bank N.A.
101 S. Reid Street
Suite 307
Sioux Falls, SD 57103
United States of America**]**

[BitGo Trust Company, Inc
6216 Pinnacle Place
Suite 101
Sioux Falls, SD 57108
United States of America**]**

[BitGo Europe GmbH
c/o WeWork
Neue Rothofstraße 13-19
60313 Frankfurt am Main
Germany**]**

[Coinbase Custody Trust Company, LLC
200 Park Avenue
Suite 1208
New York, NY 10003
United States of America**]**

[Coinbase Luxembourg S.A.
Spaces Place de la Gare, 5
Place de la Gare
L-1616 Luxembourg**]**

[Zodia Custody (Europe) S.A.
2 Place de Paris
2314 Luxembourg**]**

[other Depositaries for different Issue Specific Options]

[Determination Agent: [●]]

Execution Agent:

[Wintermute Trading Ltd.
3rd Floor, 1 Ashley Road
Altrincham, Cheshire
United Kingdom, WA14 2DT**]**

[other Execution Agents for different Issue Specific Options]

[●]

[Investment Manager: [●]]

[Fiat Execution Agent: [●]]

[NAV Calculation Agent: [●]]

[FX Counterparty: [●]]

[Index Sponsor: [●]]

Paying Agent and Fiscal Agent:

[Quirin Privatbank AG
Kurfürstendamm 119
10711 Berlin
Germany**]**

[ISP Securities AG
Bellerivestrasse 45
8008 Zurich
Switzerland**]**

[●]

[Staking Provider: [●]]

The Paying Agent, the Fiscal Agent and the Depositary reserve the right at any time to change their specified offices to some other office in the same country.

10.2 *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any of the Authorised Participants and/or any of the Transaction Partner(s) and to appoint a replacement (for any of the Transaction Partners) or additional (for the Depositary, Depo Bank **[[**and**][,]** Staking Provider**] [[**and**][,]** FX Counterparty**] [**and Investment Manager**]**) Transaction Partner(s). The Issuer shall at all times maintain an Administrator, Depo Bank, Depositary, **[**Determination Agent,**]** Execution Agent, Fiscal Agent, **[**Index Sponsor,**]** Paying Agent **[[**and**][,]** Staking Provider**] [[**and**][,]** FX Counterparty**] [**and Investment Manager**] [[**and**][,]** Fiat Execution Agent**] [[**and**][,]** NAV Calculation Agent**]**. Any variation, termination, appointment or change to any Transaction Partner(s) shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after at least **[●]** Business Days prior notice to the Bondholders in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions.

10.3 *Agent of the Issuer.* The Transaction Partner(s) and any additional or replacement Transaction Partner(s) appointed pursuant to Condition 10.1 (*Appointment*) or Condition 10.2 (*Variation or Termination of Appointment*) above act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust with any Bondholder.

11. SECURITY TRUSTEE

11.1 *Appointment.* Any Secured Property hereunder shall be held and managed by the Security Trustee on behalf of all present and future Bondholders. The Security Trustee shall, in relation to third parties, act as the holder of the Secured Property and manage it on behalf of the Bondholders. The detailed duties of the Security Trustee shall solely be governed by the security trust agreement entered into between the Issuer and the Security Trustee (the "**German Security and Security Trust Agreement**").

11.2 *Authorisation.* Each Bondholder instructs and authorises the Security Trustee (with the right of sub-delegation) to act as its security trustee (*Treuhänder*) and in particular (without limitation) to enter into and amend any documents evidencing Security, and to make and accept all declarations and take all actions it considers necessary or useful in connection with any Security on behalf of that Bondholder. The Security Trustee shall further be entitled to enforce or release any Security, to perform any rights

and obligations under any documents evidencing Security and to execute new and different documents evidencing or relating to the Security.

11.3 *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Security Trustee and to appoint another Security Trustee. The Issuer shall at all times maintain a Security Trustee. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after at least **[●]** Business Days prior notice to the Bondholders from these events in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions.

12. INFORMATION DUTIES

Copies of the Security Documents in connection with the Bonds will be made available to Bondholders pursuant to the German Security and Security Trust Agreement, together with all other Programme Documents relevant to the Bondholders' security interest in in the Issuance Account and/or Issuer-Owned Bonds and/or the Security as soon as reasonably practicable after the Issue Date.

13. PRESENTATION PERIOD AND PRESCRIPTION

The presentation period provided for in Section 801 paragraph 1, sentence 1 German Civil Code is reduced to ten years for the Bonds. The period of limitation for claims under the Bonds presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

14. EVENTS OF DEFAULT

14.1 Events of Default

If an Event of Default occurs and is continuing, the Security Trustee and/or each Bondholder shall be entitled to declare all but not some of its Bonds due and payable by submitting a Termination Notice (pursuant to Condition 14.2 (*Termination Notices*) below) to the Issuer for its entire claim arising from the Bonds and demand (subject to Condition 14.3 (*Cure*) below) an immediate payment of the Asset Entitlement per Bond in accordance with the conditions set out in Condition 8 (*PAYMENTS, CALCULATIONS, AGENTS AND RECORDS*) (but without any fees payable by the Bondholder which would otherwise be required by the above-mentioned Condition 8) of these General Terms and Conditions. Each of the following is an "**Event of Default**":

(a) the Issuer fails to pay out the Asset Entitlement or any other amount in respect of the Bonds within 15 (fifteen) days from the relevant due date, except if the Issuer fails to pay out the Asset Entitlement or any other amount in respect of the Bonds for reasons beyond its control, which should include (but is not limited to) circumstances where there is a Disruption Event, or the Issuer is required to comply with any provision of applicable law relating to the funding of terrorist activities or money laundering.

For the avoidance of doubt: Failure to exercise the Cash Redemption in Bond Currency due to a Totally Failed Execution or Partially Failed Execution shall not amount to such failure; or

(b) the Issuer fails to duly perform any other significant obligation arising from the Bonds and such failure, if capable of remedy, continues unremedied for more than 45 (forty-five) calendar days after the Issuer has received notice thereof from the Security Trustee and/or a Bondholder; or

(c) an Issuer Insolvency Event occurs;

(d) the Issuer is unable or admits its inability to pay its debts as they fall due; or

(e) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within 90 (ninety) days, or the Issuer applies for or institutes such proceedings; or

(f) the Issuer enters into liquidation unless this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Bonds.

14.2 Termination Notices

Any notice by a Bondholder to Redeem its Bonds in accordance with this Condition 14 (*EVENTS OF DEFAULT*) (a "**Termination Notice**") shall be made by means of a declaration in text form to the Paying Agent in the German or English language together with evidence by means of a certificate of the Custodian that such Bondholder, at the time of such Termination Notice, is a Bondholder with respect of the relevant Bonds.

The Issuer will, as soon as reasonably practicable after receipt of any Termination Notice, give Notice thereof to the applicable Bondholders.

14.3 Cure

For the avoidance of doubt, the right to declare Bonds due in accordance with this Condition 14 shall terminate if the situation giving rise to it has been cured before the right is exercised.

15. COVENANTS

15.1 Undertaking regarding Security

So long as any of the Bonds remain outstanding, the Issuer shall not (except where explicitly permitted under the Terms and Conditions):

(a) create or permit to subsist any prior-ranking or equal-ranking mortgage, pledge, lien, security interest, charge or encumbrance securing any obligation of any person (or any arrangement having a like or similar effect) upon all or any of the Security (without prejudice to the right to create or permit to subsist any lower-ranking security interest in relation to the Secured Custody Account and/or the Underlying Asset); **[**or

(b) **[**transfer,**]** **[**sell,**]** **[**lend,**]** **[**part with or otherwise dispose of,**]** **[**or**]** **[**grant any option or present or future right to acquire,**]** **[**any of the Security.**]**.

15.2 Limitation on Incurrence of indebtedness

The Issuer shall not after the Issue Date, incur any indebtedness for financing purposes.

For the avoidance of doubt, the following is a non-exclusive list of indebtedness that is explicitly *not* for financing purposes (and thus can be incurred by the Issuer):

(i) any costs incurred by the Issuer in its ordinary course of business: or

(ii) any exchange traded notes or similar bonds issued with a primary purpose to give investors exposures other than the credit risk of the Issuer itself;

15.3 Deposited Underlying Asset

The Issuer shall at any given time procure that it holds such amount of the Underlying Asset equal to or exceeding the Secured Obligations Amount on the Secured Custody Account held with the Depositary (the "**Deposited Underlying Asset**"), provided however that the amount of Underlying Asset held by the Issuer in the Secured Custody Account may be less that the Secured Obligations Amount in certain situations which are further described in Condition 2.11 (*Postponement relating to the Redemption of the Bonds*) of the Issue Specific Annex **[**B**]** **[●]** below **[**as well as in paragraph**[**s**]** **[**5**]****[**and 6**]** of this Condition 15 (*COVENANTS*) below).

15.4 Allowed Use of the Deposited Underlying Assets

Notwithstanding anything in this Condition 15 and as further specified in Part II below, the Issuer may, in its reasonable discretion and taking into consideration the interests of the Bondholders and the relevant capital market practice, use the Deposited Underlying Assets for **[**DeFi Activities, as further specified in Condition 15.**[●]** of these General Terms and Conditions **[**and**]]** **[**FX Hedging Transactions, as further specified in Condition 15.**[●]** of these General Terms and Conditions **[**and**]]** **[**Covered Call Transactions, as further specified in Condition 15.**[●]** of these General Terms and Conditions **[**and**]]**

[[Leveraged Exposure, as further specified in Condition 15.**[●]** of these General Terms and Conditions **[**and**]]** the purposes specified in Condition **[**6**][**7**]** ("*Business Activities*"*)* of the Issue Specific Terms and Conditions below, if any (the "**Allowed Use of the Deposited Underlying Assets**").

15.5 **[***DeFi Activities*. Notwithstanding anything in this Condition 15 (*COVENANTS*), as specified in Condition 7 ("*Business Actitivies*"*)* of the Issue Specific Terms and Conditions below, the Issuer may use the Deposited Underlying Assets for utilisation in DeFi Activities. In this case, the Issuer is permitted to utilize the Deposited Underlying Assets for all actions necessary to conduct the respective DeFi Activities, including, but not limited to the transfer units of the Deposited Underlying Assets into one or several smart contracts.**]**

15.6 **[***FX Hedging Transaction*. Notwithstanding anything in this Condition 15 (*COVENANTS*), the Issuer is permitted to enter into one or several transactions with the FX Counterparty which seeks to offset potential movements in the exchange rate fluctuations between the currency in which the Bonds are denominated (the Bond Currency) and the currency in which the Reference Price for the relevant Underlying Asset is denominated (the "**FX Hedging Transaction**") and ensures that the amount of the Deposited Underlying Assets and amounts due from the FX Counterparty taken together are equal or greater than Secured Obligations Amount at all times.**]**

15.7 **[***Covered Call Transaction*. Notwithstanding anything in this Condition 15 (*COVENANTS*), the Issuer is permitted to enter into transactions in order to engage in covered call option writing strategies, in connection with which the Issuer may provide the Deposited Underlying Assets as collateral for "out-of-the-money" covered call options linked to the Underlying Asset**[**s**]** sold by the Investment Manager for a premium (the "**Covered Call Transaction**") and ensures that the amount of the Deposited Underlying Assets and amounts due under each Covered Call Transaction taken together are equal or greater than Secured Obligations Amount at all times.**]**

15.8 **[***Leveraged Exposure Transactions*. Notwithstanding anything in this Condition 15 (*COVENANTS*), the Issuer is permitted to enter into transactions in order to gain Leveraged Exposure (the "**Leveraged Exposure Transaction**"). In this case, the Issuer is permitted to utilize the Deposited Underlying Assets for all actions necessary to conduct the respective Leveraged Exposure Transaction, including, but not limited to the divestment of Deposited Underlying Assets to make payments due under leveraged positions entered into in connection with the Leveraged Exposure Transaction. The Issuer ensures that the amount of the Deposited Underlying Assets and amounts due under each Leveraged Exposure Transaction taken together are equal or greater than Secured Obligations Amount at all times.**]**

16. SUBSTITUTION

16.1 The Issuer may, without the consent of the Bondholders, if no Event of Default is occurring, at any time substitute the Issuer with any Affiliate of the Issuer as principal debtor in respect of all obligations arising from or in connection with the Bonds (the "**Substitute Debtor**") provided that:

(a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Bonds;

(b) the Security will be legally effective at all times;

(c) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Bonds are valid and binding in accordance with their respective terms enforceable by each Bondholder;

(d) the Substitute Debtor is licensed (or exempt from the requirement to be licensed) to execute transactions in the Underlying Asset(s);

(e) the Substitute Debtor can transfer to the Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Bonds;

(f) the Substitute Debtor has agreed to indemnify and hold harmless each Bondholder against any tax, duty, assessment or governmental charge imposed on such Bondholder in respect of such substitution; and

(g) there shall have been delivered to the Paying Agent, at the cost of the Issuer, an opinion or opinions by lawyers of recognised standing to the effect that subparagraphs (a) to (f) above have been satisfied.

Any substitution of the Issuer pursuant to this Condition 16 (*SUBSTITUTION*) and the date of effectiveness of such substitution shall be published in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions.

16.2 Upon effectiveness of the substitution any reference in these General Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the Relevant Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the Relevant Taxing Jurisdiction with respect to the Substitute Debtor. Furthermore, in the event of such substitution and if the Relevant Taxing Jurisdiction of the Substitute Debtor does not include the Federal Republic of Germany, an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the Relevant Taxing Jurisdiction of the Substitute Debtor.

16.3 Upon effective substitution of the Issuer as set forth in this paragraph, the Issuer shall be released from any obligation arising from or in connection with the Bonds.

17. FURTHER ISSUES, PURCHASE AND CANCELLATION

17.1 Without prejudice to any covenant contained in Condition 15 (*COVENANTS*), the Issuer may from time to time, without the consent of the Bondholders, sell Issuer-Owned Bonds, other Bonds held by the Issuer or issue further Bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the relevant Issue Date and/or issue price) so as to form a single series with the Bonds.

17.2 Without prejudice to any covenant contained in Condition 15 (*COVENANTS*), the Issuer may at any time purchase Bonds in the open market or otherwise and at any price. Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold, transferred to the Issuance Account to become Issuer-Owned Bonds (if not already held on such account) or surrendered to the Paying Agent for cancellation.

18. AMENDMENTS OF THE TERMS AND CONDITIONS

18.1 The Issuer may, without the consent of the Bondholders in its reasonable discretion and taking into consideration the interests of the Bondholders and the relevant capital market practice: (i) make any modification to these General Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error and that is in the opinion of the Issuer not materially prejudicial to the interests of the Bondholders, and (ii) make any other modifications, and any waiver or authorisation of any breach or proposed breach of any of these General Terms and Conditions that is not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver will be binding on the Bondholders and will be notified by the Issuer to the Bondholders in accordance with Condition 19 (*NOTICES*) of these General Terms and Conditions without undue delay. If and to the extent required by applicable law, a supplement to the Prospectus will be established and filed for approval.

Additionally, regarding the provisions of these General Terms and Conditions which allow for any action (or lack of any action) to be taken (or not taken) at the Issuer's discretion (including, without limitation, provisions referring to situation(s) where the Issuer 'may' take some action), the Issuer may amend these General Terms and Conditions to make them more restrictive on itself by prescribing particular behaviour to be implemented by the Issuer (which may – however – still include some limited amount of discretion) where before it had complete discretion.

18.2 The Issuer may furthermore, without the consent of the Bondholders, make any modification to these General Terms and Conditions which is not specifically stated therein to require the consent of the

Bondholders, including any modification which is made as a consequence of the occurrence of an Adjustment Event (as defined in Annex B) and subject to the conditions details in Annex B.

18.3 The Terms and Conditions may also be amended with consent of the Issuer by virtue of a majority resolution of the Bondholders pursuant to Sections 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"), as amended from time to time. In particular, the Bondholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under Section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Bondholders as stated under Condition 18.4 below. A duly passed majority resolution shall be binding equally upon all Bondholders.

18.4 Except as provided by the following sentence and provided that the quorum requirements are being met, the Bondholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of Section 5 paragraph 3 numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 percent of the voting rights participating in the vote (a "**Qualified Majority**").

18.5 Subject to Condition 18.6 below, resolutions of the Bondholders shall exclusively be made by means of a vote without a meeting in accordance with Section 18 of the SchVG. The request for voting will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Bondholders together with the request for voting. The exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with Condition 20.4 (i) (a) and (b) hereof by means of a declaration in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from (and including) the day such registration has been sent to (and including) the day the voting period ends.

18.6 If it is ascertained that no quorum exists for the vote without meeting pursuant to Condition 18.5 above, the scrutineer may convene a Bondholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of Section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second Bondholders' meeting and exercise of voting rights is subject to the Bondholders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second Bondholders' meeting. As part of the registration, Bondholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with Condition 20.4 (i) (a) and (b) hereof by means of a declaration in text form and by submission of a blocking instruction by the Custodian stating that the relevant Bonds are not transferable from (and including) the day such registration has been sent to (and including) the stated end of the Bondholders' meeting.

18.7 The Bondholders may by majority resolution provide for the appointment or dismissal of a joint representative (the "**Bondholders' Representative**"), the duties and responsibilities and the powers of such Bondholders' Representative, the transfer of the rights of the Bondholders to the Bondholders' Representative and a limitation of liability of the Bondholders' Representative. Appointment of a Bondholders' Representative may only be passed by a Qualified Majority if such Bondholders' Representative is to be authorised to consent, in accordance with Condition 18.4 above, to a material change in the substance of the Terms and Conditions.

18.8 Any notices concerning Conditions 18.5 to 18.7 shall be made exclusively pursuant to the provisions of the SchVG.

19. NOTICES

19.1 All notices regarding the Bonds, other than any notices stipulated in Conditions 18.5 to 18.7 of these General Terms and Conditions which shall be made exclusively pursuant to the provisions of the SchVG, will be published on the Website.

19.2 The Issuer will be entitled to deliver all notices concerning the Bonds, other than any notices stipulated in Conditions 18.5 to 18.7 of these General Terms and Conditions, to the Clearing System for communication by the Clearing System to the Bondholders to the extent that the rules of the stock exchange on which the Bonds are listed or admitted to trading permit so.

19.3 Any notice, other than any notices stipulated in Conditions 18.5 to 18.7 of these General Terms and Conditions, will be deemed to have been validly given on the date of the first publication (or, if required to be published in a newspaper, on the first date on which publication shall have been made in the required newspaper) or, as the case may be, on the fourth Business Day after the date of such delivery to the Clearing System.

20. GOVERNING LAW

20.1 The Bonds, as to form and content, and all rights and obligations of the Bondholders and the Issuer, shall be governed by German law. The Security Documents, as to form and content, and all rights and obligations of the Bondholders and the Issuer, shall be governed by German law.

20.2 To the extent legally permissible, the courts of Frankfurt am Main, Federal Republic of Germany, shall have jurisdiction for any actions or other legal proceedings arising out of or in connection with the Bonds. The local court (*Amtsgericht*) of Frankfurt am Main shall have jurisdiction for all judgments in accordance with Section 9 paragraph 2, Section 13 paragraph 3 and Section 18 paragraph 2 SchVG in accordance with Section 9 paragraph 3 SchVG. The regional court (*Landgericht*) in the district of Frankfurt am Main shall have exclusive jurisdiction for all judgments over contested resolutions by Bondholders in accordance with section 20 paragraph 3 SchVG. Should the Issuer change its registered seat, the statutory jurisdiction pursuant to the SchVG shall apply.

20.3 All calculations and determinations required to be made by these Terms and Conditions shall be made by the Issuer, or any party appointed by the Issuer, in its sole and absolute discretion.

20.4 Any Bondholder may in any proceedings against the Issuer, or to which such Bondholder and the Issuer are parties, protect and enforce in its own name its rights arising under the relevant Bonds on the basis of (i) a statement issued by the Custodian with which such Bondholder maintains a securities account in respect of the Bonds (a) stating the full name and address of the Bondholder, (b) specifying the aggregate principal amount of Bonds credited to such securities account on the date of such statement and/or specifying the aggregate principal amount of Bonds transferred from such Bondholder's securities account to the Issuance Account (including effective dates of such transfer(s)) and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note representing the relevant Bonds certified as being a true copy of the original Global Note by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Bonds. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Bondholder maintains a securities account in respect of the Bonds, including the Clearing System. Each Bondholder may, without prejudice to the foregoing, protect and enforce its rights under these Bonds also in any other way which is admitted in the country of the proceedings.

21. LANGUAGE

These General Terms and Conditions are written in English language.

16. ISSUE SPECIFIC OPTION I: CRYPTOCURRENCY LINKED BONDS

DEFINITIONS

The following terms have the meanings given to them below:

"**Adjustment Event**" has the meaning given in Issue Specific Annex **[**B**][●]**;

"**Airdrop Event**" means the allocation and distribution by a third party of a New Cryptocurrency to holders of a Cryptocurrency on such conditions as may be presented by that third party which may include without limitation that the holder of the Cryptocurrency perform a prescribed activity or task;

"**Asset Entitlement**" means at any date, the Cryptocurrency Entitlement and/or payment of any other amount due, subject to a Permanent Adjustment;

"**Asset Equivalent**" means the Coin Equivalent;

"**Asset Execution Procedure**" means the Cryptocurrency Execution Procedure;

"**Bondholder Account**" means:

(a) in relation to Bonds to be Redeemed by Physical Redemption, a Bondholder Wallet; or

(b) in relation to any cash payment specified to be due by the Issuer to a Bondholder under the provisions of these Issue Specific Terms and Conditions, an account in the currency of the relevant Bond Currency,

which, in the case of an Authorised Participant, shall be notified in writing for such purposes by the Authorised Participant to the Issuer from time to time, pursuant to the provisions of the Authorised Participant Agreement, and in the case of a Non-AP Bondholder, shall be as specified in the Redemption Form;

"**Bondholder Wallet**" means the relevant digital wallet(s) of each Bondholder required to receive and transfer units of the relevant Cryptocurrency;

"**Bond Currency Equivalent**" means in respect of any amount denominated in the Bond Currency, such Bond Currency amount and in respect of any amount denominated in a currency other than the Bond Currency or in the Cryptocurrency (the "**Non-Bond Currency**"), the amount in the Bond Currency determined by the Issuer as being required to purchase such amount of such Non-Bond Currency with the Bond Currency as at the date of calculation at the rate equal to the spot rate of exchange (or spot price in the case of the Cryptocurrency) for the purchase of the Non-Bond Currency with the Bond Currency available to the Issuer from a foreign exchange broker (if the Non-Bond Currency is not a Cryptocurrency) or cryptocurrency broker (if the Non-Bond Currency is a Cryptocurrency) selected by the Issuer in good faith;

"**Capital Adjustment Factor**" means an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, including but not limited to:

(a) any transactional costs;

(b) extraordinary events that may arise with respect to the Underlying Asset(s) of the Bonds**[**;**][**and**]**

(c) **[**the profits or benefits received by the Issuer as a result of holding the Cryptocurrency (including but not limited to through engagement with Staking activities (if any)), as further specified below in Part II**[**;**][**and**]]**

(d) **[**the DeFi Transfer Amounts resulting from the utilization of the Cryptocurrency in DeFi Activities (if any), as further specified below in Part II **[**;**][**and**]]**

(e) **[**FX Hedging Transfer Amounts resulting from FX Hedging Transactions, as further specified below in Part II**[**;**][**and**]]**

(f) **[**Covered Call Transfer Amounts resulting from Covered Call Transactions, as further specified below in Part II **[**;**][**and**]]**

(g) **[**Leveraged Exposure Transfer Amounts resulting from the Leveraged Exposure Transactions, as further specified below in Part II;**]**

as such amount may be adjusted from time to time.

For the avoidance of doubt: unless, and where applicable only to the extent, the Issuer has agreed to do so, the Issuer is not required to share any profits or benefits so received with the Bondholders;

"**Coin Equivalent**" means

(a) in respect of an Underlying Asset and any amount denominated in the Cryptocurrency of such Underlying Asset, the amount of such Cryptocurrency; and

(b) if denominated in a cryptocurrency other than the Cryptocurrency of such Underlying Asset (the "**Cryptocurrency Equivalent**") or in a fiat currency (the "**Fiat Currency Equivalent**"), the amount in the Cryptocurrency of that Underlying Asset determined by the Issuer as being required to purchase the amount of such Cryptocurrency Equivalent or Fiat Currency Equivalent,

with the Cryptocurrency of the Underlying Asset as at the date of calculation at the rate equal to the spot price for the purchase of the Cryptocurrency Equivalent or Fiat Currency Equivalent with the Cryptocurrency of the Underlying Asset available to the Issuer from a cryptocurrency broker selected by the Issuer in good faith;

"**Cryptocurrency**" means the money, scrip or other representation of value or contractual rights that can only be exchanged electronically on a Distributed Ledger (including, without limitation, each Underlying Asset) specified as Underlying Asset;

"**Cryptocurrency Entitlement**" means at any date the amount(s) of the Underlying Asset(s) determined in accordance with Condition 1 (*CRYPTOCURRENCY ENTITLEMENT*) of this Issue Specific Terms and Conditions, subject to any Permanent Adjustment;

"**Cryptocurrency Execution Procedure**" has the meaning given in Condition 7 (*CRYPTOCURRENCY EXECUTION PROCEDURE*) of these Issue Specific Terms and Conditions;

["**DeFi Activities**" means any activities conducted through or in connection with decentralised finance (DeFi) protocols or platforms that operate on Distributed Ledger technologies, including but not limited to: lending, borrowing, Staking, yield farming, liquidity provision, token swaps, asset wrapping, where such activities are not intermediated by a centralised entity, and are instead executed **[**on a non-custodial basis**]** via smart contracts on public or permissionless blockchains;**]**

["**De-Stake**" or "**De-Staking**" means the re-establishment of unrestricted transferability of relevant units of the Cryptocurrency which was previously committed to Staking;**]**

"**Distributed Ledger**" means a single, sequenced, standardised and cryptographically secured record of activity to be shared among and acted upon by multiple participants;

"**Eligible Assets**" means any **[**(i)**]** MiCAR Crypto Asset **[**,**][**and (ii) Non-MiCAR Crypto Asset**][**and (iii) cash received from the Allowed Use of the Deposited Underlying Assets**]**;

"**Fork Event**" means the splitting of the code base underlying the Distributed Ledger applicable to a Cryptocurrency, potentially creating two or more Distributed Ledgers which may or may not be incompatible with each other, one in respect of the Cryptocurrency and one or more in respect of a New Cryptocurrency;

["**Index**" means **[●]**;**]**

["**Index Methodology**" means **[**insert reference to Index Methodology**]**;

The Issuer reserves the right, in its reasonable discretion, to replace the Index and the corresponding Index Methodology with an Index (the "**Replacement Index**") and corresponding Index Methodology (the "**Replacement Index Methodology**"), which the Issuer deems to be comparable to the initial Index, the components of the Index and its Index Methodology, provided it notifies the Bondholders thereof in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions. Following any such replacement, any reference to the term Index and Index Methodology shall refer to the Replacement Index and the Replacement Index Methodology. The Issuer shall at all times maintain an "Index" and "Index Methodology".**]**

["**Index Sponsor**" means **[●]**, a financial institution(s) that the Issuer, from time to time, has designated as an index sponsor to create and administrate an index. The Index Sponsor may be appointed, or such appointment terminated by the Issuer pursuant to Condition 10 (*TRANSACTION PARTNERS*) of the General Terms and Conditions above*;***]**

"**Mandatory Cash Redemption**" means in relation to the Mandatory Redemption of any Bonds, settlement of the Redemption Obligations in respect thereof by payment of the Redemption Amount in cash and in accordance with Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions and Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions;

"**MiCAR**" means Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets;

"**MiCAR Crypto Asset**" means any crypto-asset within the meaning of MiCAR;

"**New Cryptocurrency**" means a cryptocurrency either (a) created pursuant to a Fork Event; or (b) made available pursuant to an Airdrop Event, which in either case is not identifiable as the Cryptocurrency currently underlying the Bond (and "**New Cryptocurrencies**" shall be construed accordingly;

"**Non-MiCAR Crypto Assets**" means any digital representation of a value or of a right that is able to be transferred and stored electronically using distributed ledger technology or similar technology, which does not fall within the scope of MiCAR;

"**Physical Redemption**" means in relation to the Redemption of Bonds, settlement of the Redemption Obligations in respect thereof by delivery of the relevant Underlying Asset(s) in accordance with Condition 2.5 (*Delivery of Cryptocurrency upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption**" means the redemption of Bonds by the Issuer in accordance with the Terms and Conditions (and "**Redeem**" or "**Redeemed**" shall be construed accordingly);

"**Redemption Deductions**" means a sum that may be charged by the Issuer reflecting costs, expenses or fees actually incurred by the Issuer in connection with a sale or the transfer of Cryptocurrency, as part of any Redemption which may include without limitation;

(a) the costs of giving notices under Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions being not greater than $500;

(b) any costs incurred by the Issuer, the Depositary or any of the Issuer's agents as part of a sale, purchase or exchange of Cryptocurrency;

(c) any banking fees or costs incurred as part of transfer of cash or Cryptocurrency between accounts of the Issuer and/or any Bondholder;

(d) costs incurred as part of currency conversions which may be necessary to facilitate Redemption;

(e) Blockchain network fees which are incurred as part of transfer of the Cryptocurrency from the Secured Custody Account to a Bondholder Wallet;

(f) any costs, fees and expenses of the Security Trustee incurred in relation to enforcing the Security and taking any steps required as a part of a sale, a purchase or the transfer of Cryptocurrency;

(g) any costs determined by the Issuer and/or the Determination Agent to be part of Redemption Deductions;

(h) any withholding or deduction for or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax; or

(i) such other amounts as may be Notified pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

The Issuer will charge the respective Redemption Deductions by deducting an amount in the Bond Currency Equivalent (in case of Cash Redemptions) or in the Asset Equivalent (in case of Physical Redemptions) directly from the respective Redemption Amount.

"**Redemption Delivery Procedures**" means the Physical Redemption as set out in Condition 2.5 (*Delivery of Cryptocurrency upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption Obligations**" means the obligation of the Issuer on Redemption of a Bond to deliver the relevant Underlying Asset(s) (or if applicable, make payment) to the relevant Bondholder in accordance with the General Terms and Conditions;

"**Redemption Paying Procedures**" means (i) in the case of Voluntary Cash Redemption, as set out in Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions, or (ii) in the case of Mandatory Cash Redemption, as set out in Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions, as applicable;

"**Reference Price**" **[**means, in relation to an Underlying Asset, as of the relevant determination date, the **[**Bloomberg**][**Cryptocompare**][●]** fixing for such an Underlying Asset (the "**Price Source**"**)** as **[**displayed**][**calculated**]** between **[**16:00**][●]** and **[**16:15**][●] [**(EST)**][**(CET)**][**(GMT)**][**(UTC)**][●]] [**has the meaning given under the definition of "$\boldsymbol{P}_{(t)}$" in Issue Specific Annex **[**A**][●];]**

[The Issuer reserves the right, within its reasonable discretion, to replace the Price Source for the fixing of the Reference Price by an equivalent replacement price source (the "**Successor Price Source**").

Such replacement of the Price Source by the Successor Price Source shall become effective only after prior notice to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions given a reasonable number of days (taking into consideration the interests of the Bondholders and the relevant capital market practice) prior to such replacement.

The Successor Price Source shall replace the Price Source with immediate effect following notification to the Bondholders in case of (i) the permanent cessation of the Price Source; (ii) the announcement of the permanent cessation of the Price Source; and (iii) a temporary disruption of the Price Source for more than **[●]** consecutive days.

Following the replacement of the Price Source by the Successor Price Source becoming effective, this provision shall apply mutatis mutandis to the relevant replacement of such Successor Price Source by any new Successor

Price Source. In this case, any reference in this provision to the term "Price Source" shall be deemed to be a reference to the Successor Price Source that last applied;**]**

"**Secured Custody Account**" means a cryptocurrency wallet or wallets operated by the Depositary on behalf of the Issuer, (i) where the assets held in such wallet are segregated from the assets of any other customers of the Depositary, the assets of the Depositary itself and from any other assets of the Issuer; and (ii) where the rights and claims in connection with such assets are assigned as security in favour of the Bondholders, Security Trustee and Bondholder's representative (if appointed) pursuant to the Security Documents to secure the Issuer's obligations arising from the Bonds;

["**Staking"** means activities which involve setting aside a certain amount of eligible Cryptocurrency to become an active validating node for the networks proof-of-stake protocol (and "**Stake**" and "**Staked**" shall be construed accordingly);**]**

"**Suspended Day**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions;

"**Suspension Period**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions (and "**Suspended Period**" shall be construed accordingly);

"**Threshold Redemption Event**" occurs if on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the market value (as determined by the Issuer) of the Cryptocurrency Entitlement per Bond is less than **[●]** per cent. of the Principal Amount of such Bonds specified in the relevant Final Terms;

"**Underlying Asset**" means **[●] [**the Index. For the avoidance of doubt: When used in these Issue Specific Terms and Conditions in relation to Subscriptions, Redemptions and the Deposited Underlying Assets, the terms "Underlying Assets" shall refer to a basket of the individual components of the Index, in each case in a composition and weightings as triggered by the most recent Eligible Rebalance Procedures**]**;

1. CRYPTOCURRENCY ENTITLEMENT

The provisions regarding the calculation and determination of the Cryptocurrency Entitlement and its components are set out in Issue Specific Annex **[***insert relevant Annex***]** below.

2. REDEMPTION OF BONDS

2.1 Entitlement on Redemption

Each Bond shall carry:

(a) a right on a Voluntary Redemption under Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions:

(i) if Physical Redemption applies, to delivery of Underlying Assets or Eligible Assets, as applicable, in the Redemption Amount in accordance with the Redemption Delivery Procedures; and

(ii) if Cash Redemption applies, to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures,

on the applicable Voluntary Redemption Settlement Date;

(b) a right on a Mandatory Redemption under Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures on the applicable Mandatory Redemption Settlement Date.

2.2 Redemptions by Authorised Participants

An Authorised Participant may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.2 (*Redemption by Authorised Participants*) of the General Terms and Conditions.

Physical Redemption shall apply to all Voluntary Redemptions by a Bondholder who is also an Authorised Participant save that Cash Redemption will apply in the circumstances specified in Condition 2.6(a)(ii) (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.3 Redemptions by Non-AP Bondholders

A Non-AP Bondholder may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions. Cash Redemption shall apply to all Voluntary Redemptions by a Non-AP Bondholder to the extent the relevant Non-AP Bondholder has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset.

2.4 Redemption Notice

(a) In addition to the requirements as set out in Condition 6.4 (*Redemption Form*) of the General Terms and Conditions, in the case of a Non-AP Bondholder, a Redemption Form must specify a Bondholder Account.

(b) If the Redemption Form does not meet the requirements of Condition 2.4(a) (*Redemption Notice*) of these Issue Specific Terms and Conditions, then the Redemption Form shall be invalid.

2.5 Delivery of Cryptocurrency upon Voluntary Redemption

(a) Where Bonds held by a Bondholder are required to be Redeemed by Physical Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds, take all Necessary Redemption Actions (as defined in the General Terms and Conditions above) and to give effect to the Redemption Form as required by this Condition 2 to transfer the relevant Underlying Asset(s) attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Redemption Amount with respect to those Bonds, from the relevant Secured Custody Account to the relevant Bondholder Account, to be delivered to such account on the Voluntary Redemption Settlement Date.

(b) In the case of any Underlying Asset which is to be delivered as part of the Physical Redemption, settlement of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(c) From the Voluntary Redemption Settlement Date, in the case of Physical Redemption all title to and risks in the Redemption Amount in respect of each Bond shall pass to the holder of such Bonds. The Issuer shall not be responsible or liable for (and no Event of Default shall occur by virtue of) any failure by a Depositary to effect a delivery of Underlying Assets in accordance with the instructions of the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Bondholder its claims in relation to such Underlying Assets in satisfaction of all claims of such Bondholder in respect of the Bonds to be Redeemed and the Bondholder shall have no further claims against the Issuer or the Security.

(d) The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of Condition 2.5 (*Delivery of Cryptocurrency upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

[(e) In case of Redemptions by Authorised Participants, in derogation from paragraph (a) above, the Issuer may fulfil its obligations stipulated in this Condition 3.5 by transfer of Eligible Assets instead of the Underlying Asset(s), and paragraphs (a) to (d) above shall apply to the Eligible Assets accordingly, providing the following is satisfied:

(i) The Issuer converts the amount of the relevant Cryptocurrency corresponding to the Cryptocurrency Entitlement into a number of units of the Eligible Assets with a counterparty appropriately regulated or registered (if not subject to regulation) for AML/KYC purposes with financial authorities in its country of incorporation and operation, whereby the exchange rate is based on the current market value of the Eligible Assets (as determined by the relevant counterparty) and of the Underlying Asset(s);

(ii) The Issuer shall not make any conversions with counterparties based outside of the list of the acceptable jurisdictions for the location of an Authorised Participant or not supervised (through regulation or registration) for AML/KYC purposes, even if the jurisdiction in question does not require entities dealing in the Underlying Asset(s) or Eligible Assets to be supervised;

(iii) Transfer and/or delivery of Eligible Assets will not result in the Issuer being in breach of any Condition of these Terms and Conditions and the Administrator approves such transfer; and

(iv) The agreement between the Issuer and the Authorised Participant governing relationships between the parties shall contain the provision that in case redemption is performed pursuant to this Condition 2.5(e) no obligation to deliver or transfer Eligible Assets to the Authorised Participant exists unless sub-conditions (i) to (iii) (inclusive) are satisfied, including, that any obligation to deliver or transfer Eligible Assets (even after above-mentioned sub-conditions are satisfied) is an unsecured contractual claim and does not qualify as part of the Secured Redemption Obligation.**]**

2.6 Payment of Cash upon Voluntary Redemption

(a) Cash Redemption will apply if:

(i) a Non-AP Bondholder Redeems all or part of its holding of Bonds and has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset in accordance with Condition 6.3(a) (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions;

(ii) in case of an Authorised Participant, the Underlying Asset(s) to which the Bondholder is entitled on Redemption is not successfully delivered to the Bondholder (unless this results from the fault of the Issuer) and is not claimed by such Bondholder by the 30th calendar day after the Voluntary Redemption Settlement Date (whereupon the Cryptocurrency Entitlement per Bond will be determined as of the Voluntary Redemption Settlement Date).

(b) Where Bonds are required to be Redeemed by Cash Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds take all necessary actions to give effect to the Redemption Form as required by this Condition 2 including, instructing the Execution Agent to sell the relevant Underlying Asset(s) in accordance with the Cryptocurrency Execution Procedure as detailed in Condition 7 (*CRYPTOCURRENCY EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

(c) the sale of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(d) The Issuer will transfer the aggregate Redemption Amount with respect to the Bonds on the Voluntary Redemption Settlement Date to the relevant Bondholder by transfer to the Bondholder Account.

(e) The obligations of the Issuer in respect of the Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.7 Suspension of Redemptions

If on any Valuation Date (a "**Threshold Event Date**") the Issuer determines that the prevailing market value of the Cryptocurrency Entitlement in respect of a Bond is less than **[●]** per cent. of the Principal Amount:

(a) the Issuer may at any time after the Threshold Event Date, for so long as the Issuer determines that the prevailing market value of the Cryptocurrency Entitlement continues to be less than the percentage level of the Principal Amount, suspend the right to request redemption of such Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions; and

(b) the Issuer may, without undue delay after the Threshold Event Date, reduce the Principal Amount to an amount the Issuer determines in its reasonable discretion taking into consideration the interests of the Bondholders and the relevant capital market practice.

Subject as provided in Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions, the Issuer may at its discretion terminate any such suspension at any time.

2.8 Suspension of Voluntary Redemptions

The following provisions shall apply where Voluntary Redemptions have been suspended:

(a) Agreed Pricing may continue;

(b) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the parties to the Programme Documents and, where Bondholders other than Authorised Participants are entitled to redeem Bonds pursuant to Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions, the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as reasonably practicable, but the failure to give such any such notice shall not prevent the exercise of such discretions;

(c) any such suspension may continue for a period of up to 60 days, and may continue thereafter at the discretion of the Issuer in the case of a suspension pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions, if the majority resolution referred to in Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions above has not been passed; and

(d) any suspension that has been implemented in accordance with Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions shall not affect any redemption pursuant to an Redemption Form, received (or deemed to have been received) on a prior date to that on which the suspension commenced, but any Redemption Form in respect of Bonds submitted or deemed to be received on a Valuation Date when the right to request redemption of the Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions is suspended pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions shall be invalid.

2.9 Disruption Events

The Issuer may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events has occurred or exists on such day with respect to the Bonds (each such event a "**Disruption Event**"):

(a) Trading Disruption;

(b) Service Provider Disruption:

(i) a Service Provider Disruption – Depositary; or

(ii) a Service Provider Disruption – Assets; or

(iii) a Service Provider Disruption – Investment Manager;

(c) Secured Accounts Disruption; **[**and/or**]**

(d) Adjustment Events **[**.**][**;**][**and/or**]**

(e) **[***FX Disruption:* any disruption(s) which have a materially adverse effect on the FX Counterparty's relevant hedging abilities**] [**.**][**;**][**and/or**]**

(f) **[***Covered Call Disruption:* any disruption(s) which have a materially adverse effect on the instatement, maintenance and settlement of the Covered Call Transactions**] [**.**][**;**][**and/or**]**

(g) **[***Leverage Disruption*: any disruption(s) which have a materially adverse effect on the settlement of the Leveraged Transactions**]**

(g) **[***Calculation Disruption*: situations where the Issuer acting in good faith is unable to calculate the Asset Entitlement for the Bonds.**]**

2.10 Determination of Disruption Events and Suspension

(a) If the Issuer determines that a Disruption Event has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the immediately following Business Day give notice of the postponement and/or suspension of:

(i) any validated and/or non-validated subscription orders and/or Redemption Orders and any request for the Redemption of Bonds;

(ii) the settlement of any Redemption of Bonds; and/or

(iii) any Mandatory Redemption Settlement Date, Voluntary Redemption Settlement Date and/or delivery of the Cryptocurrency or the payment of any amount in connection therewith,

to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying:

(A) the Disruption Event which has occurred or is existing on the relevant day;

(B) whether the suspension and/or postponement relating to such Disruption Event will be in respect of a single day (a "**Suspended Day**") or for as long as the Disruption Event continues (a "**Suspension Period**"); and

(C) which of the dates and/or events set out in Conditions 2.10(a)(i) to 2.10(a)(iii) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions will be postponed and/or suspended on such Suspended Day or during such Suspended Period, as applicable (and, in determining this, the Issuer shall consider whether the relevant Disruption Event would disrupt the actions required to be performed by it, the Determination Agent, any Authorised Participant and/or any other Programme Party in connection with Redemption of Bonds, and/or any Mandatory Redemption of the Bonds),

such notice, a "**Suspension Notice**". If the Suspension Notice is in respect of a Suspension Period, such period will end when the Issuer notifies the Determination Agent, the Authorised Participants and the Security Trustee that such suspension and/or postponement is over.

In addition, if the Issuer determines that a Secured Accounts Disruption and/or Service Provider Disruption – Assets has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the Business Day immediately following a definitive determination give notice of a Permanent Adjustment to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying the amount of that Permanent Adjustment.

(b) The Issuer is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to Bonds on any day unless a Suspension Notice has been given in respect of a Suspension Period in which case the Issuer's obligation to monitor the relevant Disruption Event will continue until it has determined that such Disruption Event has ceased (following which it will give notification at the end of the Suspension Period in accordance with Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions). The Issuer shall have no liability to the Security Trustee, any Depositary, any Bondholder, any Authorised Participant or any other person for any determination or non-determination that it makes in good faith in respect of the occurrence or existence of a Disruption Event.

(c) The Issuer shall, as soon as reasonably practicable after receipt by it of a Suspension Notice give notice thereof to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

2.11 Postponement relating to the Redemption of the Bonds

(a) If, in respect of a Disruption Event, the Issuer has specified in the related Suspension Notice that the Mandatory Redemption Settlement Date, Final Redemption Date and/or Voluntary Redemption Settlement Date (a "**Disruption Postponable Date**") shall be postponed until following the end of the Suspended Day or Suspension Period, then if any Disruption Postponable Date does occur on the Suspended Day or during the Suspension Period, such Disruption Postponable Date shall be deemed to have been postponed until the first following Business Day, which is not a Disrupted Day or a day which falls within a Suspension Period, provided that if no such day has occurred on or prior to the 30th Business Day following such Disruption Postponable Date, the Issuer, acting in good faith and in consultation with the Determination Agent, may determine an appropriate method for Redeeming the Bonds and determining the Final Redemption Date and/or Voluntary Redemption Settlement Date, as applicable, for the purposes of such redemption of such Bonds (a "**Disrupted Redemption Method**"). For the avoidance of doubt, (i) if multiple days are specified as Disruption Postponable Dates, such Disruption Postponable Dates shall be deemed to have been postponed consistently to ensure that the same number of days passes between these multiple days as would pass if no Disruption Event had occurred, and (ii) if any Disruption Postponable Date is postponed in accordance with these Issue Specific Terms and Conditions, then any other dates or periods determined by reference to such Disruption Postponable Date that have yet to occur or conclude as at the time of such postponement shall also be postponed or adjusted accordingly.

(b) The Issuer shall, as soon as reasonably practicable following determination of any Disrupted Redemption Method, notify each Programme Party and the Bondholders of the details of such Disrupted Redemption Method in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

(c) No additional amount shall be payable or deliverable to any Authorised Participant or any Non-AP Bondholder in connection with any postponement to the timing, or any amendment to the method, in each case in accordance with Condition 2.11(a) (*Postponement relating to the Redemption of the Bonds*) of these Issue Specific Terms and Conditions, of Mandatory Redemption or Voluntary Redemption of the Bonds.

2.12 Timings for Redemption of the Bonds

A Redemption Form that is lodged by the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as lodged on that Business Day. A Redemption Form that is lodged after the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as having been lodged on the following Business Day.

3. MANDATORY REDEMPTION BY THE ISSUER

In relation to all Mandatory Redemptions to be effected in accordance with the General Terms and Conditions and these Issue Specific Terms and Conditions, the Issuer shall, on:

(a) the Mandatory Cash Redemption Sale Date (in the case of Redemption pursuant to Condition 7.1 (*Mandatory Redemption on Termination – Issuer Call Redemption Event*) of the General Terms and Conditions); and

(b) the Mandatory Redemption Notice Date (in the case of Redemption pursuant to Condition 7.2 (*Mandatory Redemption Events*) of the General Terms and Conditions, Condition 7.3 (*Mandatory Redemptions*) of the General Terms and Conditions),

take all necessary steps to give effect to the Mandatory Redemptions as required by this Condition 3, including but not limited to, the Necessary Redemption Actions and instructing the Execution Agent to sell the Underlying Asset(s) attributable to or forming part of the Security in respect of the Bonds subject to such Mandatory Redemption in accordance with the Cryptocurrency Execution Procedure as detailed in Condition 7 (*CRYPTOCURRENCY EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

The Issuer will transfer the Redemption Amount to the relevant Bondholder on the Mandatory Redemption Settlement Date by transfer to the Bondholder's bank account subject to the Acceptable Delivery of Bonds to the Issuer by either depositing them into an appropriate Clearing System account (as directed by the Issuer) and giving correct delivery free of payment instructions in a Clearing System or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Bonds to the Issuer by agreement with the Issuer) provided that (if applicable) the Bondholder has made Acceptable Delivery of Bonds.

The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 3.

4. REDEMPTION DEDUCTIONS

4.1 On a Voluntary Redemption of Bonds, the aggregate amount of the Redemption Deductions (which shall be calculated in respect of each Cryptocurrency comprising the Cryptocurrency Entitlement in respect of a Bond) shall be notified to the Bondholder at the time that the Redemption Amount is paid to the Bondholder.

4.2 On a Mandatory Redemption of Bonds by the Issuer, the Issuer shall notify the Bondholders whose Bonds are subject to Mandatory Redemption of the aggregate amount of the Redemption Deductions, and their allocation to particular Bondholders pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

5. AIRDROP AND FORK EVENTS

5.1 The Issuer may, at its own discretion, engage or participate in any Airdrop Event notwithstanding the Issuer is not obliged to assess or monitor any Airdrop Event.

5.2 If an Airdrop or Fork Event has occurred, the Issuer shall, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the Cryptocurrency Entitlement to account for the economic effect on the Bonds of the relevant Adjustment Event, in particular and without limitation, to the greatest degree commercially practicable assign to the Bondholders the economic benefit or loss of any Adjustment Event as if the Bondholders held the Cryptocurrency comprising the Cryptocurrency Entitlement in respect of each Bond directly in their name. If, as a result of a Fork Event, the Cryptocurrency attributable to or forming part of the Security has been rendered unavailable or converted into or replaced by a New Cryptocurrency, the Issuer may reduce the Cryptocurrency Entitlement for the relevant Cryptocurrency held in the Security that has been lost or converted into or replaced by a New Cryptocurrency. If, following the occurrence of a Fork Event, the Issuer opts to obtain the New Cryptocurrency and notifies the Bondholders in writing pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions accordingly, the Issuer may increase the Cryptocurrency

Entitlement for the relevant Cryptocurrency held in the Security. Further, following the occurrence of a Fork Event, the Issuer may opt to (but shall be under no obligation to) replace the Cryptocurrency Entitlement for the relevant Cryptocurrency and the New Cryptocurrency, whereby the Cryptocurrency Entitlement shall correspond to the Cryptocurrency Entitlement relating to each Security before the Fork Event. In such case, the Issuer shall notify the Bondholders in writing pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions accordingly.

5.3 Whenever, as a result of the issuance of the Bonds, the Issuer becomes automatically entitled to receive any New Cryptocurrency as a result of an Airdrop Event, unless otherwise notified in writing to the Bondholders by notice pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions, the Bondholders shall not be entitled to receive any value from the New Cryptocurrency and no New Cryptocurrency shall be credited to the Secured Custody Account or any other account held by a Depositary in the name of the Issuer. In such case, the Issuer may, however, opt to accept the benefit of the New Cryptocurrency on its own behalf.

6. BUSINESS ACTIVITIES

For the avoidance of doubt, and notwithstanding anything in Condition 15 (*COVENANTS*) of the General Terms and Conditions, the Issuer may use the Deposited Underlying Assets in activities related to:

(a) **[**Staking, which may result in partial or total loss of the Deposited Underlying Assets due to a Slashing Event, in which case the Cryptocurrency Entitlement might be reduced (even to zero) following the respective application of the Capital Adjustment Factor and the Bondholders might suffer a total or partial loss.**]**

(b) **[**DeFi Activities, which may result in partial or total loss of the Deposited Underlying Assets, in which case the Cryptocurrency Entitlement might be reduced (even to zero) following the respective application of the Capital Adjustment Factor.**]**

7. CRYPTOCURRENCY EXECUTION PROCEDURE

7.1 If the Issuer is required, pursuant to these Issue Specific Terms and Conditions, to conduct a Cryptocurrency Execution Procedure, the Execution Agent shall upon instructions from the Issuer sell in accordance with the Execution Agency Agreement the Cryptocurrency attributable to or forming part of the Security in respect of the Bonds subject to Cash Redemption in an amount equal to the Cryptocurrency Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable) (the "**Cryptocurrency Execution Procedure**").

7.2 *Totally Failed Execution and special provisions for Mandatory Redemption*

The Cryptocurrency Execution Procedure required by any Condition other than Mandatory Redemption process shall be deemed to be unsuccessful if the Execution Agent fails to sell any units of the Cryptocurrency it has been instructed to sell by the Issuer, for whatever reason (including, without limitation, as a result of disruption to the availability of the Reference Price) (a "**Totally Failed Execution**").

If the Cryptocurrency Execution Procedure required as part of the Mandatory Redemption process is unsuccessful (in full or in part), the Issuer shall sell the required amount(s) of Cryptocurrency using any reasonable efforts to achieve best possible price for the Bondholders (including, without limitation, repeated use of the Cryptocurrency Execution Procedure or other methods at the Issuer's discretion) within a reasonable period of time. Upon completion, proceeds of such sale(s) shall be considered the proceeds of the initially required Cryptocurrency Execution Procedure.

7.3 Without prejudice to other provisions of this Condition 7, in case of a Totally Failed Execution, the Issuer shall return all Bonds previously delivered to the Issuer in relation to which the Cash Redemption was exercised, to the Bondholder within a reasonable period. The Issuer may choose to charge any Exercise Fee to the respective Bondholder in case of a Totally Failed Execution. In this case, the Issuer

shall forfeit such number of Bonds for its own benefit to become Issuer-Owned Bonds from the Bonds to be returned to the Bondholder, to the extent that Cryptocurrency Entitlement, as of the Voluntary Redemption Date, multiplied by the number of Bonds forfeited does not exceed the Exercise Fee.

7.4 *Partially Failed Execution*

Without prejudice to other provisions of this same paragraph, in the event that Cash Redemption not associated with a Mandatory Redemption was exercised in relation to the Bonds and it is not possible for the Execution Agent to fully execute the Cryptocurrency Execution Procedure for one, or more (but not all) of the Cryptocurrency constituting the Cryptocurrency Entitlement (as a result of a Disruption Event or otherwise) (the "**Affected Cryptocurrency**") (a "**Partially Failed Execution**"), the Issuer shall, in its sole and absolute discretion:

(a) transfer the cash proceeds generated from the successful element of the Cryptocurrency Execution Procedure to the redeeming Bondholder; and

(b) retain, and hold on trust for the benefit of the Bondholder, the Affected Cryptocurrency until the redeeming Bondholder provides instructions for the Issuer to transfer the Affected Cryptocurrency in the form of a Physical Redemption (if permissible) or until such time as the Execution Agent can sell it and transfer the proceeds in the form of a Cash Redemption.

Issue Specific Annex [A][●] – Cryptocurrency Entitlement

"**Cryptocurrency Entitlement**" means, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Cryptocurrency comprising the Bond.

On the Issue Date, the Cryptocurrency Entitlement corresponds to the Initial Cryptocurrency Entitlement (as defined below).

On any day after the Issue Date, the Cryptocurrency Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$CE_{(t)} = CE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

Where:

"$\boldsymbol{CE_{(t)}}$" means the Cryptocurrency Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"$\mathbf{CAF_{(t-x)}}$" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date;

"$\boldsymbol{CE_{(t-1)}}$" means the Cryptocurrency Entitlement on the previous day before day "t" days after the Issue Date;

"$\boldsymbol{CE_{(0)}}$" or "**Initial Cryptocurrency Entitlement**" means **[●]**, the Cryptocurrency Entitlement on the Issue Date; And

Issue Specific Annex [B][●] – Adjustments and Special Situations

1. DEFINITIONS

For the purposes of this Issue Specific Annex, terms defined in the Terms and Conditions have the meanings given to them in the Terms and Conditions unless otherwise defined in this Issue Specific Annex. The following terms have the meanings given to them below:

"**Adjustment Event**" means any of the following events or circumstances occur:

(a) any change to the market for transacting in the Cryptocurrency or holding the Cryptocurrency in custody;

(b) any change in the legal or regulatory status of the Cryptocurrency;

(c) a Split;

(d) an Airdrop Event;

(e) a Disruption Event;

(f) a Partial Cryptocurrency Disruption**[**; and**][.]**

(g) **[**an Index Disruption Event**[**; and**][.]]**

(h) **[**a Slashing Event**] [**; and**][.]]**

(i) **[**a DeFi Loss Event.**]**

["**Collateral Shortfall Event**" means the situation where, contrary to the covenant set out in Condition 15.3 (*Deposited Underlying Assets*) of the General Terms and Conditions, the amount of Cryptocurrency held by the Issuer in the Secured Custody Account permanently falls below the Secured Obligations Amounts due to the execution of any of the Eligible Rebalance Procedures;**]**

["**DeFi Loss Event**" means a situation directly or indirectly caused by the utilization of the Underlying Assets in DeFi Activities where some or all of the Deposited Underlying Assets are lost, reduced, rendered inaccessible or otherwise impaired due to the operation, malfunction, exploit, failure or design of smart contracts, protocols or decentralized applications, or due to actions or inactions of protocol developers, governance participants, validators, oracle providers or other associated third parties (including, without limitation, the Issuer itself);**]**

["**Eligible Rebalance Procedures**" means, for any combination of the following:

(a) instructions given to the Execution Agent to buy and sell the required amount of Cryptocurrency out of the Deposited Underlying Assets to perform the rebalance; and

(b) any settlement of the Cryptocurrency in respect of any instruction covered by (a) above;**]**

["**Index Cancellation**" means in respect of an Index, the Index Sponsor in respect of that Index permanently cancels such Index;**]**

["**Index Disruption Event**" means an Index Cancellation, Index Suspension and/or Index Modification;**]**

["**Index Modification**" means in respect of an Index that the Index Sponsor announces that it shall make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent cryptocurrencies and capitalisation and other routine events);**]**

["**Index Suspension**" means in respect of an Index on any Business Day, the Index Sponsor fails to calculate or announce such Index, however the Index Cancellation has not yet happened;**]**

"**Major Exchange**" means, on the relevant calendar date, any of the three highest-volume Cryptocurrency exchanges and/or trading platforms that report prices for the applicable Cryptocurrency (as measured by the 30 calendar day average trading volume);

["**Partial Cryptocurrency Disruption**" means the case where Cryptocurrency Entitlement consists of more than one type of Cryptocurrency and: (i) cessation of support for some (but not all) types of Cryptocurrency comprised in the Cryptocurrency Entitlement by the Depositary; or (ii) any change in the legal or regulatory status for some (but not all) types of the Cryptocurrency similar to the one described in the Condition 7.2.(b) of the General Terms and Conditions, including without limitation, classification by a regulatory authority of any such Cryptocurrency as a security;**]**

["**Slashing Event**" means a situation directly or indirectly caused by Staking of relevant Cryptocurrency where some or all of the Deposited Underlying Assets which is Staked is forfeited or reduced in accordance with the technical protocol of the Cryptocurrency due to actions or inactions of the Staking Provider or associated third parties (including without limitation the Issuer itself);**]**

"**Split**" means a split or fork in the blockchain of a Cryptocurrency, leading to a division of the Cryptocurrency into two or more separate cryptocurrencies.

2. SUSPENSION OF REDEMPTION AND ADJUSTMENTS

2.1 *Suspension of Redemption*

If the Issuer, in its sole and absolute discretion, determines that due to a Disruption Event(s), it would adversely affect the interests of the Issuer or the Bondholders to continue to permit Redemptions, the Issuer may at any time and from time to time while such Disruption Event(s) are continuing suspend the right to, or timings of any Redemption (including Voluntary Redemption(s) and Mandatory Redemption(s)), including the ones which are already pending.

2.2 Subject to provisions of Condition 2 of this Issue Specific Annex, the Issuer may in its sole and absolute discretion terminate such suspension at any time.

2.3 The following provisions shall apply where Redemptions have been suspended:

(i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Transaction Partners, and to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as practicable, but the failure to give any such notice shall not prevent the exercise of its powers to institute suspensions and terminations of such suspensions; and

(ii) any such suspension may continue for a period of up to 60 (sixty) calendar days, after the expiration of which the Issuer shall either: (i) remove any applicable restrictions on the Redemption of the Bonds; or (ii) trigger the Mandatory Redemption process (or, in case suspension was declared during the Mandatory Redemption process, take all commercially reasonable steps to finalize such Mandatory Redemption without further suspensions).

2.4 The Issuer shall have no liability to the Authorised Participants, the Security Trustee, any of the Transaction Partner(s), the Bondholders or any other person for any determination or non-determination that it makes in respect of the occurrence, existence or continuation of a Disruption Event.

2.5 If an Adjustment Event has occurred, the Issuer shall, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the Cryptocurrency Entitlement to account for the economic effect on the Bonds of the relevant Adjustment Event, in particular and without limitation **[**: (a)**]** in the case of **[**a Slashing Event,**][**a DeFi Loss Event**]** a Split and an Airdrop: to the greatest degree commercially practicable assign to the Bondholders the economic benefit or loss of any Adjustment Event as if the Bondholders held the Cryptocurrency comprising the Cryptocurrency Entitlement in respect of each Bond directly in their name; **[**(b) in the case of an Index Disruption Event, suspend the rebalances of the Index even if required by the methodology of the Index Sponsor and the formulas for the Cryptocurrency Entitlement, and/or replace the Index with a similar new Index and make the unscheduled rebalance of the Deposited Underlying Assets accordingly; and (c) in the case of Partial

Cryptocurrency Disruption, add the affected Cryptocurrency to the list of the Unsupported Underlying Assets and rebalance the Deposited Underlying Assets accordingly**]**.

2.6 If the Issuer determines that it is appropriate to make such adjustments, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner (which may, for the avoidance of doubt, include partial redemption of the Bonds against the payment of cash) the nature and effective date of such adjustment(s), and notify the Transaction Partners and, in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, the Bondholders of the occurrence of such Adjustment Event and the details of such adjustments to the Cryptocurrency Entitlement as soon as reasonably practicable upon making such determinations.

2.7 With effect from the effective date of any such adjustment (which for the avoidance of doubt may be in the past), the Issuer, the Bondholders and the Transaction Partners shall take into account the relevant adjustment(s) so notified to them when making any determination and/or calculation they are required to make under the Terms and Conditions.

2.8 In making decisions regarding necessary adjustments pursuant to Condition 2.5 of this Issue Specific Annex, the Issuer shall not make adjustments which result in any extraordinary revenue to itself at the expense of the Bondholders. In the previous sentence 'extraordinary revenue' shall mean any revenue which would not be reasonably expected to be received by the Issuer in the absence of the Adjustment Event.

2.9 **[**In case a Collateral Shortfall Event occurs: (i) Cryptocurrency Entitlement per Bond shall be the amount of the Deposited Underlying Assets divided by the number of Outstanding Bonds on the date of the notification of the Collateral Shortfall Event to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, whereby such Cryptocurrency Entitlement shall affect all unfinalized Redemption transactions even if they were initiated prior to such change; and (ii) the Cryptocurrency Entitlement shall evolve thereafter in accordance with the formulas set out in Issue Specific Annex **[**A**][●]** disregarding any effect of the formulas on the Cryptocurrency Entitlement value prior to the relevant Collateral Shortfall Event.**]**

2.10 **[**Any determination, non-determination, suspension, adjustment or termination of any suspension shall only be made by the Issuer with the explicit written approval of the Determination Agent**]**

2.11 Notwithstanding Condition 15.3 (*Deposited Underlying Assets*) of the General Terms and Conditions, the Issuer may hold less Cryptocurrency in the Secured Custody Account than the Secured Obligations Amount provided that such shortfall is:

(a) **[**reasonably required to execute one or more Eligible Rebalance Procedure(s) (including without limitation withdrawals of amounts to be sold from the Depositary to be transferred to the Execution Agent);**] [**or**]**

(b) **[**continuing only until such time as Cryptocurrency Entitlement is adjusted accordingly due to the Collateral Shortfall Event, and is a result of a Collateral Shortfall Event which is occurring as a result of one or more Eligible Rebalance Procedure(s)**[**;**] [**or**]**

(c) **[**continuing only until such time as Cryptocurrency Entitlement is adjusted accordingly due to a Slashing Event occurring, and is a result of a Slashing Event**[**.**] [**;**] [**or**]]**

(d) **[**continuing only until such time as Cryptocurrency Entitlement is adjusted accordingly as a result of a DeFi Loss Event.**]**

2.12 **[***For the avoidance of doubt*, in case of a Slashing Event the Issuer may reduce the Cryptocurrency Entitlement in accordance with the provisions of Condition 2.5 of this Issue Specific Annex and the Bondholders will suffer a total or partial loss of their investment in such case, provided however that the Issuer shall use commercially reasonable efforts to utilize any insurance coverage offered by the Staking Provider to any party, if applicable, to mitigate the impact of the Slashing Event on the

Cryptocurrency Entitlement. The Issuer may not permanently reduce the Cryptocurrency Entitlement if and to the extent that (i) the reductions of the Deposited Underlying Assets are covered and compensated by any insurance offered by the Staking Provider to the Depositary and (ii) such compensated amounts of Cryptocurrency are actually transferred to and deposited in the Secured Custody Account of the Issuer.**]**

2.13 **[***For the avoidance of doubt*, in case of a DeFi Loss Event, the Issuer may reduce the Cryptocurrency Entitlement in accordance with the provisions of Condition 2.5 of this Issue Specific Annex and the Bondholders will suffer a total or partial loss of their investment in such case, **[**provided however that the Issuer shall use commercially reasonable efforts to mitigate the impact of the DeFi Loss Event on the Cryptocurrency Entitlement**]**.

17. ISSUE SPECIFIC OPTION II: EQUITY LINKED BONDS

DEFINITIONS

The following terms have the meanings given to them below:

"**Adjustment Event**" has the meaning given in Issue Specific Annex **[**B**][●]**;

"**Asset Entitlement**" means at any date, the Equity Entitlement and/or payment of any other amount due, subject to a Permanent Adjustment;

"**Asset Equivalent**" means the Equity Equivalent;

"**Asset Execution Procedure**" means the Equity Execution Procedure;

"**Bondholder Account**" means:

(a) in relation to Bonds to be Redeemed by Physical Redemption, a Bondholder Custody Account; or

(b) in relation to any cash payment specified to be due by the Issuer to a Bondholder under the provisions of these Issue Specific Terms and Conditions, an account in the currency of the relevant Bond Currency,

which, in the case of an Authorised Participant, shall be notified in writing for such purposes by the Authorised Participant to the Issuer from time to time, pursuant to the provisions of the Authorised Participant Agreement, and in the case of a Non-AP Bondholder, shall be as specified in the Redemption Form;

"**Bond Currency Equivalent**" means in respect of any amount denominated in the Bond Currency, such Bond Currency amount and in respect of any amount denominated in a currency other than the Bond Currency (the "**Non-Bond Currency**"), the amount in the Bond Currency determined by the Issuer as being required to purchase such amount of such Non-Bond Currency with the Bond Currency as at the date of calculation at the rate equal to the spot rate of exchange for the purchase of the Non-Bond Currency with the Bond Currency available to the Issuer from a foreign exchange broker selected by the Issuer in good faith;

"**Bondholder Custody Account**" means the custodial account of the Bondholder which will be held with a custodian in the name of the Bondholder and used to receive or send the Underlying Asset(s);

"**Capital Adjustment Factor**" means an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, including but not limited to:

(a) any transactional costs;

(b) extraordinary events that may arise with respect to the Underlying Asset(s) of the Bonds**[**.**][**;**][**and**]**

(c) **[**cash amounts received by the Issuer in connection with the payment of cash dividends and/or other distributions relating to the Underlying Asset(s) , as further specified below in Part II **[**;**][**and**]**

(d) **[**FX Hedging Transfer Amounts resulting from FX Hedging Transactions, as further specified below in Part II **[**;**][**and**]]**

(e) **[**Covered Call Transfer Amounts resulting from Covered Call Transactions, as further specified below in Part II**[**;**][**and**]]**

(f) **[**Leveraged Exposure Transfer Amounts resulting from the Leveraged Exposure Transactions, as further specified below in Part II;**]**

as such amount may be adjusted from time to time.

For the avoidance of doubt: unless, and where applicable only to the extent, the Issuer has agreed to do so, the Issuer is not required to share any profits or benefits so received with the Bondholders;

"**Equity Entitlement**" means at any date the amount(s) of the Underlying Asset(s) determined in accordance with Condition 1 (*EQUITY ENTITLEMENT*) of these Issue Specific Terms and Conditions, subject to a Permanent Adjustment;

"**Equity Equivalent**" means

(a) in respect of an Underlying Asset and any amount denominated in the Underlying Asset, the amount of such Underlying Asset; and

(b) in respect of an Underlying Asset and any amount denominated in shares other than the Underlying Asset (the "**Share Equivalent**") or in a fiat currency (the "**Fiat Currency Equivalent**"), the amount in the Underlying Asset determined by the Issuer as being required to purchase the amount of such Share Equivalent or Fiat Currency Equivalent,

with the Underlying Asset as at the date of calculation at the rate equal to the spot price for the purchase of the Share Equivalent or Fiat Currency Equivalent with the Underlying Asset available to the Issuer from a broker or stock exchange selected by the Issuer in good faith;

"**Equity Execution Procedure**" has the meaning given in Condition 6 (*Equity Execution Procedure*) of these Issue Specific Terms and Conditions;

"**Mandatory Cash Redemption**" means in relation to the Mandatory Redemption of any Bonds, settlement of the Redemption Obligations in respect thereof by payment of the Redemption Amount in cash and in accordance with Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions and Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions;

"**Physical Redemption**" means in relation to the Redemption of Bonds, settlement of the Redemption Obligations in respect thereof by delivery of the relevant Underlying Asset(s) in accordance with Condition 2.5 (*Delivery of Shares upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption**" means the redemption of Bonds by the Issuer in accordance with the Terms and Conditions (and "**Redeem**" or "**Redeemed**" shall be construed accordingly);

"**Redemption Deductions**" means a sum that may be charged by the Issuer reflecting costs, expenses or fees actually incurred by the Issuer in connection with a sale or the transfer of the Underlying Asset(s), as part of any Redemption which may include without limitation;

(a) the costs of giving notices under Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions being not greater than $500;

(b) any costs incurred by the Issuer, the Depositary or any of the Issuer's agents as part of a sale, purchase or exchange of the Underlying Asset(s);

(c) any banking fees or costs incurred as part of transfer of cash or Underlying Asset(s) between accounts of the Issuer and/or any Bondholder;

(d) costs incurred as part of currency conversions which may be necessary to facilitate Redemption;

(e) fees which are incurred as part of transfer of the Underlying Asset(s) from the Secured Custody Account to a Bondholder Custody Account;

(f) any costs, fees and expenses of the Security Trustee incurred in relation to enforcing the Security and taking any steps required as a part of a sale, a purchase or the transfer of the Underlying Asset(s);

(g) any costs determined by the Issuer and/or the Determination Agent to be part of Redemption Deductions;

(h) any withholding or deduction for or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax; or

(i) such other amounts as may be Notified pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

The Issuer will charge the respective Redemption Deductions by deducting an amount in the Bond Currency Equivalent (in case of Cash Redemptions) or in the Asset Equivalent (in case of Physical Redemptions) directly from the respective Redemption Amount.

"**Redemption Delivery Procedures**" means the Physical Redemption as set out in Condition 2.5 (*Delivery of Shares upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption Obligations**" means the obligation of the Issuer on Redemption of a Bond to deliver the relevant Underlying Asset(s) (or if applicable, make payment) to the relevant Bondholder in accordance with the General Terms and Conditions;

"**Redemption Paying Procedures**" means (i) in the case of Voluntary Cash Redemption, as set out in Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions, or (ii) in the case of Mandatory Cash Redemption, as set out in Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions, as applicable;

"**Reference Price**" **[**means, in relation to an Underlying Asset, as of the relevant determination date, the **[**Bloomberg**] [●]** fixing for such an Underlying Asset (the "**Price Source**"**)** as **[**displayed**][**calculated**]** between **[**16:00**][●]** and **[**16:15**][●] [**(EST)**][**(CET)**][(**GMT**)][(**UTC**)][●]] [**has the meaning given under the definition of "$\boldsymbol{P}_{(t)}$" in Issue Specific Annex **[**A**][●];]**

[The Issuer reserves the right, within its reasonable discretion, to replace the Price Source for the fixing of the Reference Price by an equivalent replacement price source (the "**Successor Price Source**").

Such replacement of the Price Source by the Successor Price Source shall become effective only after prior notice to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions given a reasonable number of days (taking into consideration the interests of the Bondholders and the relevant capital market practice) prior to such replacement.

The Successor Price Source shall replace the Price Source with immediate effect following notification to the Bondholders in case of (i) the permanent cessation of the Price Source; (ii) the announcement of the permanent cessation of the Price Source; and (iii) a temporary disruption of the Price Source for more than **[●]** consecutive days.

Following the replacement of the Price Source by the Successor Price Source becoming effective, this provision shall apply mutatis mutandis to the relevant replacement of such Successor Price Source by any new Successor Price Source. In this case, any reference in this provision to the term "Price Source" shall be deemed to be a reference to the Successor Price Source that last applied;**]**

"**Secured Custody Account**" means a custodial account operated by the Depositary on behalf of the Issuer, (i) where the assets held in such custodial account are segregated from the assets of any other customers of the Depositary, the assets of the Depositary itself and from any other assets of the Issuer; and (ii) where the rights and claims in connection with such assets are assigned as security in favour of the Bondholders, Security Trustee and Bondholder's representative (if appointed) pursuant to the Security Documents to secure the Issuer's obligations arising from the Bonds;

"**Suspended Day**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions;

"**Suspension Period**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions (and "**Suspended Period**" shall be construed accordingly);

"**Threshold Redemption Event**" occurs if on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the market value (as determined by the Issuer) of the Equity Entitlement per Bond is less than **[●]** per cent.of the Principal Amount of such Bonds specified in the relevant Final Terms; and

"**Underlying Asset**" means **[●]**.

1. EQUITY ENTITLEMENT

The provisions regarding the calculation and determination of the Equity Entitlement and its components are set out in Issue Specific Annex **[***insert relevant Annex***]** below.

2. REDEMPTION OF BONDS

2.1 Entitlement on Redemption

Each Bond shall carry:

(a) a right on a Voluntary Redemption under Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions:

(i) if Physical Redemption applies, to delivery of Underlying Assets in the Redemption Amount in accordance with the Redemption Delivery Procedures; and

(ii) if Cash Redemption applies, to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures,

on the applicable Voluntary Redemption Settlement Date;

(b) a right on a Mandatory Redemption under Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures on the applicable Mandatory Redemption Settlement Date.

2.2 Redemptions by Authorised Participants

An Authorised Participant may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.2 (*Redemption by Authorised Participants*) of the General Terms and Conditions.

Physical Redemption shall apply to all Voluntary Redemptions by a Bondholder who is also an Authorised Participant save that Cash Redemption will apply in the circumstances specified in Condition 2.6(a)(ii) (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.3 Redemptions by Non-AP Bondholders

A Non-AP Bondholder may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions. Cash Redemption shall apply to all Voluntary Redemptions by a Non-AP Bondholder to the extent the relevant Non-AP Bondholder has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset.

2.4 Redemption Notice

(a) In addition to the requirements as set out in Condition 6.4 (*Redemption Form*) of the General Terms and Conditions, in the case of a Non-AP Bondholder, a Redemption Form must specify a Bondholder Account.

(b) If the Redemption Form does not meet the requirements of Condition 2.4(a) (*Redemption Notice*) of these Issue Specific Terms and Conditions, then the Redemption Form shall be invalid.

2.5 Delivery of Shares upon Voluntary Redemption

(a) Where Bonds held by a Bondholder are required to be Redeemed by Physical Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds, take all Necessary Redemption Actions (as defined in the General Terms and Conditions above) and to give effect to the Redemption Form as required by this Condition 2 to transfer the relevant Underlying Asset(s) attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Redemption Amount with respect to those Bonds, from the relevant Secured Custody Account to the relevant Bondholder Account, to be delivered to such account on the Voluntary Redemption Settlement Date.

(b) In the case of any Underlying Asset which is to be delivered as part of the Physical Redemption, settlement of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(c) From the Voluntary Redemption Settlement Date, in the case of Physical Redemption all title to and risks in the Redemption Amount in respect of each Bond shall pass to the holder of such Bonds. The Issuer shall not be responsible or liable for (and no Event of Default shall occur by virtue of) any failure by a Depositary to effect a delivery of Underlying Assets in accordance with the instructions of the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Bondholder its claims in relation to such Underlying Assets in satisfaction of all claims of such Bondholder in respect of the Bonds to be Redeemed and the Bondholder shall have no further claims against the Issuer or the Security.

(d) The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of Condition 2.5 (*Delivery of Shares upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.6 Payment of Cash upon Voluntary Redemption

(a) Cash Redemption will apply if:

(i) a Non-AP Bondholder Redeems all or part of its holding of Bonds and has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset in accordance with Condition 6.3(a) (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions;

(ii) in case of an Authorised Participant, the Underlying Asset(s) to which the Bondholder is entitled on Redemption is not successfully delivered to the Bondholder (unless this results from the fault of the Issuer) and is not claimed by such Bondholder by the 30th calendar day after the Voluntary Redemption Settlement Date (whereupon the Equity Entitlement per Bond will be determined as of the Voluntary Redemption Settlement Date).

(b) Where Bonds are required to be Redeemed by Cash Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds take all necessary actions to give effect to the Redemption Form as required by this Condition 2 including, instructing the Execution Agent to sell the relevant Underlying Asset(s) in accordance with the Equity Execution Procedure as detailed in Condition 6 (*EQUITY EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

(c) the sale of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(d) The Issuer will transfer the aggregate Redemption Amount with respect to the Bonds on the Voluntary Redemption Settlement Date to the relevant Bondholder by transfer to the Bondholder Account.

(e) The obligations of the Issuer in respect of the Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.7 Suspension of Redemptions

If on any Valuation Date (a "**Threshold Event Date**") the Issuer determines that the prevailing market value of the Equity Entitlement in respect of a Bond is less than **[●]** per cent. of the Principal Amount:

(a) the Issuer may at any time after the Threshold Event Date, for so long as the Issuer determines that the prevailing market value of the Equity Entitlement continues to be less than the percentage level of the Principal Amount, suspend the right to request redemption of such Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions; and

(b) the Issuer may, without undue delay after the Threshold Event Date, reduce the Principal Amount to an amount the Issuer determines in its reasonable discretion taking into consideration the interests of the Bondholders and the relevant capital market practice.

Subject as provided in Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions, the Issuer may at its discretion terminate any such suspension at any time.

2.8 Suspension of Voluntary Redemptions

The following provisions shall apply where Voluntary Redemptions have been suspended:

(a) Agreed Pricing may continue;

(b) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the parties to the Programme Documents and, where Bondholders other than Authorised Participants are entitled to redeem Bonds pursuant to Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions, the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as reasonably practicable, but the failure to give such any such notice shall not prevent the exercise of such discretions;

(c) any such suspension may continue for a period of up to 60 days, and may continue thereafter at the discretion of the Issuer in the case of a suspension pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions, if the majority resolution referred to in Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions above has not been passed; and

(d) any suspension that has been implemented in accordance with Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions shall not affect any redemption pursuant to an Redemption Form, received (or deemed to have been received) on a prior date to that on which the suspension commenced, but any Redemption Form in respect of Bonds submitted or deemed to be received on a Valuation Date when the right to request redemption of the Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions is suspended pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions shall be invalid.

2.9 Disruption Events

The Issuer may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events has occurred or exists on such day with respect to the Bonds (each such event a "**Disruption Event**"):

(a) Trading Disruption;

(b) Service Provider Disruption:

(i) a Service Provider Disruption – Depositary; or

(ii) a Service Provider Disruption – Assets; or

(iii) a Service Provider Disruption – Investment Manager;

(c) Secured Accounts Disruption; **[**and/or**]**

(d) Adjustment Events**[**.**][**;**][**and/or**]**

(e) **[***FX Disruption:* any disruption(s) which have a materially adverse effect on the FX Counterparty's relevant hedging abilities**] [**.**][**;**][**and/or**]**

(f) **[***Covered Call Disruption:* any disruption(s) which have a materially adverse effect on the instatement, maintenance and settlement of the Covered Call Transactions**] [**.**][**;**][**and/or**]**

(g) **[***Leverage Disruption*: any disruption(s) which have a materially adverse effect on the settlement of the Leveraged Transactions**]**

(g) **[***Calculation Disruption*: situations where the Issuer acting in good faith is unable to calculate the Asset Entitlement for the Bonds.**]**

2.10 Determination of Disruption Events and Suspension

(a) If the Issuer determines that a Disruption Event has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the immediately following Business Day give notice of the postponement and/or suspension of:

(i) any validated and/or non-validated subscription orders and/or Redemption Orders and any request for the Redemption of Bonds;

(ii) the settlement of any Redemption of Bonds; and/or

(iii) any Mandatory Redemption Settlement Date, Voluntary Redemption Settlement Date and/or delivery of the Underlying Asset(s) or the payment of any amount in connection therewith,

to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying:

(A) the Disruption Event which has occurred or is existing on the relevant day;

(B) whether the suspension and/or postponement relating to such Disruption Event will be in respect of a single day (a "**Suspended Day**") or for as long as the Disruption Event continues (a "**Suspension Period**"); and

(C) which of the dates and/or events set out in Conditions 2.10(a)(i) to 2.10(a)(iii) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions will be postponed and/or suspended on such Suspended Day or during such Suspended Period, as applicable (and, in determining this, the Issuer shall consider whether the relevant Disruption Event would disrupt the actions required to be performed by it, the Determination Agent, any Authorised Participant and/or any other Programme Party in connection with Redemption of Bonds, and/or any Mandatory Redemption of the Bonds),

such notice, a "**Suspension Notice**". If the Suspension Notice is in respect of a Suspension Period, such period will end when the Issuer notifies the Determination Agent, the Authorised Participants and the Security Trustee that such suspension and/or postponement is over.

In addition, if the Issuer determines that a Secured Accounts Disruption and/or Service Provider Disruption – Assets has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the Business Day immediately following a definitive determination give notice of a Permanent Adjustment to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying the amount of that Permanent Adjustment.

(b) The Issuer is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to Bonds on any day unless a Suspension Notice has been given in respect of a Suspension Period in which case the Issuer's obligation to monitor the relevant Disruption Event will continue until it has determined that such Disruption Event has ceased (following which it will give notification at the end of the Suspension Period in accordance with Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions). The Issuer shall have no liability to the Security Trustee, any Depositary, any Bondholder, any Authorised Participant or any other person for any determination or non-determination that it makes in good faith in respect of the occurrence or existence of a Disruption Event.

(c) The Issuer shall, as soon as reasonably practicable after receipt by it of a Suspension Notice give notice thereof to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

2.11 Postponement relating to the Redemption of the Bonds

(a) If, in respect of a Disruption Event, the Issuer has specified in the related Suspension Notice that the Mandatory Redemption Settlement Date, Final Redemption Date and/or Voluntary Redemption Settlement Date (a "**Disruption Postponable Date**") shall be postponed until following the end of the Suspended Day or Suspension Period, then if any Disruption Postponable Date does occur on the Suspended Day or during the Suspension Period, such Disruption Postponable Date shall be deemed to have been postponed until the first following Business Day, which is not a Disrupted Day or a day which falls within a Suspension Period, provided that if no such day has occurred on or prior to the 30th Business Day following such Disruption Postponable Date, the Issuer, acting in good faith and in consultation with the Determination Agent, may determine an appropriate method for Redeeming the Bonds and determining the Final Redemption Date and/or Voluntary Redemption Settlement Date, as applicable, for the purposes of such redemption of such Bonds (a "**Disrupted Redemption Method**"). For the avoidance of doubt, (i) if multiple days are specified as Disruption Postponable Dates, such Disruption Postponable Dates shall be deemed to have been postponed consistently to ensure that the same number of days passes between these multiple days as would pass if no Disruption Event had occurred, and (ii) if any Disruption Postponable Date is postponed in accordance with these Issue Specific Terms and Conditions, then any other dates or periods determined by reference to such Disruption Postponable Date that have yet to occur or conclude as at the time of such postponement shall also be postponed or adjusted accordingly.

(b) The Issuer shall, as soon as reasonably practicable following determination of any Disrupted Redemption Method, notify each Programme Party and the Bondholders of the details of such Disrupted Redemption Method in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

(c) No additional amount shall be payable or deliverable to any Authorised Participant or any Non-AP Bondholder in connection with any postponement to the timing, or any amendment to the method, in each case in accordance with Condition 2.11(a) (*Postponement relating to the*

Redemption of the Bonds) of these Issue Specific Terms and Conditions, of Mandatory Redemption or Voluntary Redemption of the Bonds.

2.12 Timings for Redemption of the Bonds

A Redemption Form that is lodged by the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as lodged on that Business Day. A Redemption Form that is lodged after the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as having been lodged on the following Business Day.

3. MANDATORY REDEMPTION BY THE ISSUER

In relation to all Mandatory Redemptions to be effected in accordance with the General Terms and Conditions and these Issue Specific Terms and Conditions, the Issuer shall, on:

(a) the Mandatory Cash Redemption Sale Date (in the case of Redemption pursuant to Condition 7.1 (*Mandatory Redemption on Termination – Issuer Call Redemption Event*) of the General Terms and Conditions); and

(b) the Mandatory Redemption Notice Date (in the case of Redemption pursuant to Condition 7.2 (*Mandatory Redemption Events*) of the General Terms and Conditions, Condition 7.3 (*Mandatory Redemptions*) of the General Terms and Conditions),

take all necessary steps to give effect to the Mandatory Redemptions as required by this Condition 3, including but not limited to, the Necessary Redemption Actions and instructing the Execution Agent to sell the Underlying Asset(s) attributable to or forming part of the Security in respect of the Bonds subject to such Mandatory Redemption in accordance with the Equity Execution Procedure as detailed in Condition 6 (*EQUITY EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

The Issuer will transfer the Redemption Amount to the relevant Bondholder on the Mandatory Redemption Settlement Date by transfer to the Bondholder's bank account subject to the Acceptable Delivery of Bonds to the Issuer by either depositing them into an appropriate Clearing System account (as directed by the Issuer) and giving correct delivery free of payment instructions in a Clearing System or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Bonds to the Issuer by agreement with the Issuer) provided that (if applicable) the Bondholder has made Acceptable Delivery of Bonds.

The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition.

4. REDEMPTION DEDUCTIONS

4.1 On a Voluntary Redemption of Bonds, the aggregate amount of the Redemption Deductions (which shall be calculated in respect of each Underlying Asset comprising the Equity Entitlement in respect of a Bond) shall be notified to the Bondholder at the time that the Redemption Amount is paid to the Bondholder.

4.2 On a Mandatory Redemption of Bonds by the Issuer, the Issuer shall notify the Bondholders whose Bonds are subject to Mandatory Redemption of the aggregate amount of the Redemption Deductions, and their allocation to particular Bondholders pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

5. BUSINESS ACTIVITIES

[For the avoidance of doubt, and notwithstanding anything in Condition 15 (*COVENANTS*) of the General Terms and Conditions, the Issuer may use the Deposited Underlying Assets in activities related to:

(a) **[[●]**, which may result in partial or total loss of the Deposited Underlying Assets due to a **[●]**, in which case the Equity Entitlement might be reduced (even to zero) following the respective application of the Capital Adjustment Factor and the Bondholders might suffer a total or partial loss.**]**

(b) **[●].]**

[Not applicable.**]**

6. EQUITY EXECUTION PROCEDURE

6.1 If the Issuer is required, pursuant to these Issue Specific Terms and Conditions, to conduct a Equity Execution Procedure, the Execution Agent shall upon instructions from the Issuer sell in accordance with the Execution Agency Agreement the Underlying Assets attributable to or forming part of the Security in respect of the Bonds subject to Cash Redemption in an amount equal to the Equity Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable) (the "**Equity Execution Procedure**").

6.2 *Totally Failed Execution and special provisions for Mandatory Redemption*

The Equity Execution Procedure required by any Condition other than Mandatory Redemption process shall be deemed to be unsuccessful if the Execution Agent fails to sell any units of the Underlying Asset it has been instructed to sell by the Issuer, for whatever reason (including, without limitation, as a result of disruption to the availability of the Reference Price) (a "**Totally Failed Execution**").

If the Equity Execution Procedure required as part of the Mandatory Redemption process is unsuccessful (in full or in part), the Issuer shall sell the required amount(s) of Underlying Assets using any reasonable efforts to achieve best possible price for the Bondholders (including, without limitation, repeated use of the Equity Execution Procedure or other methods at the Issuer's discretion) within a reasonable period of time. Upon completion, proceeds of such sale(s) shall be considered the proceeds of the initially required Equity Execution Procedure.

6.3 Without prejudice to other provisions of this Condition 6, in case of a Totally Failed Execution, the Issuer shall return all Bonds previously delivered to the Issuer in relation to which the Cash Redemption was exercised, to the Bondholder within a reasonable period. The Issuer may choose to charge any Exercise Fee to the respective Bondholder in case of a Totally Failed Execution. In this case, the Issuer shall forfeit such number of Bonds for its own benefit to become Issuer-Owned Bonds from the Bonds to be returned to the Bondholder, to the extent that Equity Entitlement, as of the Voluntary Redemption Date, multiplied by the number of Bonds forfeited does not exceed the Exercise Fee.

6.4 *Partially Failed Execution*

Without prejudice to other provisions of this same paragraph, in the event that Cash Redemption not associated with a Mandatory Redemption was exercised in relation to the Bonds and it is not possible for the Execution Agent to fully execute the Equity Execution Procedure for one, or more (but not all) of the Underlying Assets constituting the Equity Entitlement (as a result of a Disruption Event or otherwise) (the "**Affected Underlying Assets**") (a "**Partially Failed Execution**"), the Issuer shall, in its sole and absolute discretion:

(a) transfer the cash proceeds generated from the successful element of the Equity Execution Procedure to the redeeming Bondholder; and

(b) retain, and hold on trust for the benefit of the Bondholder, the Affected Underlying Assets until the redeeming Bondholder provides instructions for the Issuer to transfer the Affected Underlying Assets in the form of a Physical Redemption (if permissible) or until such time as the Execution Agent can sell it and transfer the proceeds in the form of a Cash Redemption.

Issue Specific Annex [A][●] – Equity Entitlement

"**Equity Entitlement**" means **[**, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Underlying Asset comprising the Bond.

On the Issue Date, the Equity Entitlement corresponds to the Initial Equity Entitlement (as defined below).

On any day after the Issue Date, the Equity Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$EE_{(t)} = EE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

Where:

"$\boldsymbol{EE_{(t)}}$" means the Equity Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**CAF$_{(t-x)}$**" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date;

"$\boldsymbol{EE_{(t-1)}}$" means the Equity Entitlement on the previous day before day "t" days after the Issue Date;

"$\boldsymbol{EE_{(0)}}$" or "**Initial Equity Entitlement**" means **[●]**, the Equity Entitlement on the Issue Date; and

Issue Specific Annex [B][●] – Adjustments and Special Situations

1. DEFINITIONS

For the purposes of this Issue Specific Annex, terms defined in the Terms and Conditions have the meanings given to them in the Terms and Conditions unless otherwise defined in this Issue Specific Annex. The following terms have the meanings given to them below:

"**Adjustment Event**" means any of the following events or circumstances occur in relation to the Underlying Asset:

(a) an Equity Disruption Event;

(b) any Tender Offer;

(c) a Nationalisation;

(d) a Merger Event;

(e) an Insolvency Event; and

(f) a Delisting;

"**Delisting**" means that an exchange, on which the Underlying Asset is listed, announces that pursuant to the rules of such exchange, the Underlying Asset ceases (or will cease) to be listed, traded or publicly quoted on such exchange for any reason (other than a merger, transfer, consolidation, dissolution or termination of the Underlying Asset) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the exchange (or, where the exchange is within the European Union, in any member state of the European Union);

"**Equity Disruption Event**" means any of the following events as determined by the Issuer in its reasonable discretion:

(a) the Underlying Assets are reclassified or the Share Company is acquired by, or aggregated into, another fund, depositary bank, pooled investment vehicle, collective investment scheme, partnership, trust or other similar legal arrangement, whose mandate, risk-profile and/or benchmarks are different from the mandate, risk-profile and/or benchmark of the Share Company as stated as of the Issue Date;

(b) there is a material change in the Share Company, the constitutional documents of the Share Company, the mandate, risk profile or investment guidelines or objectives of the Share Company as stated as of the Issue Date (whereby such material change in the Share Company may arise, without limitation, due to a corporate split-up);

(c) the director, trustee and/or investment manager of the Share Company, in accordance with the provisions of the constitutional documents of the Share Company, requires the Issuer to redeem or transfer such Underlying Asset(s) held by the Issuer or its affiliates or if they were the holders of such Underlying Asset(s);

(d) the currency denomination of the Underlying Asset(s) is amended in accordance with the constitutional documents of the Share Company;

(e) any change in the regulatory or tax treatment applicable to the Share Company or the Underlying Asset(s), as applicable, which could have a material effect on the value of the Underlying Asset(s) or the rights or remedies of any investor in the Underlying Asset(s);

(f) any change in the treatment of the Underlying Asset(s) under section 871(m) of the Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended;

(g) in relation to the events (a) to (e) above, there is an announcement by or on behalf of the Share Company or by an exchange on which the Underlying Asset(s) are listed that such an event will occur; or

(h) an illegality occurs or the relevant authorisation or licence is revoked in respect of the directors, the

trustee and/or the investment manager of the Share Company and/or the Share Company;

"**Insolvency Event**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Company, (A) all the Underlying Asset(s) of the Share Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Underlying Asset(s) of the Share Company become legally prohibited from transferring them, or (C) the Share Company has been liquidated or terminated or does no longer exist;

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer;

"**Merger Event**" means any change offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Asset(s) of the Share Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Asset(s) (other than such Underlying Asset(s) owned or controlled by such other entity or person), or consolidation, amalgamation, merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Asset(s) outstanding but results in the outstanding Underlying Asset(s) (other than Underlying Asset(s) owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Asset(s) immediately following such event, in each case if the respective Merger Date is on or before the Final Trading Date;

"**Nationalisation**" means that all the Underlying Asset(s) or all or substantially all the assets of the Share Company are nationalised, expropriated or otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

"**Share Company**" means the respective company which issued the Underlying Asset(s);

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant;

2. SUSPENSION OF REDEMPTION AND ADJUSTMENTS

2.1 *Suspension of Redemption*

If the Issuer, in its sole and absolute discretion, determines that due to a Disruption Event(s), it would adversely affect the interests of the Issuer or the Bondholders to continue to permit Redemptions, the Issuer may at any time and from time to time while such Disruption Event(s) are continuing suspend the right to, or timings of any Redemption (including Voluntary Redemption(s) and Mandatory Redemption(s)), including the ones which are already pending.

2.2 Subject to provisions of Condition 2 of this Issue Specific Annex, the Issuer may in its sole and absolute discretion terminate such suspension at any time.

2.3 The following provisions shall apply where Redemptions have been suspended:

(i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Transaction Partners, and to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as practicable, but the failure to give any such notice shall not prevent the exercise of its powers to institute suspensions and terminations of such suspensions; and

(ii) any such suspension may continue for a period of up to 60 (sixty) calendar days, after the expiration of which the Issuer shall either: (i) remove any applicable restrictions on the Redemption of the Bonds; or (ii) trigger the Mandatory Redemption process (or, in case suspension was declared during the Mandatory Redemption process, take all commercially reasonable steps to finalize such Mandatory Redemption without further suspensions).

2.4 The Issuer shall have no liability to the Authorised Participants, the Security Trustee, any of the Transaction Partner(s), the Bondholders or any other person for any determination or non-determination that it makes in respect of the occurrence, existence or continuation of a Disruption Event.

2.5 If an Adjustment Event has occurred, the Issuer shall, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the Equity Entitlement to account for the economic effect on the Bonds of the relevant Adjustment Event, in particular and without limitation: to the greatest degree commercially practicable assign to the Bondholders the economic benefit or loss of any Adjustment Event as if the Bondholders held the Underlying Assets comprising the Equity Entitlement in respect of each Bond directly in their name.

2.6 If the Issuer determines that it is appropriate to make such adjustments, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner (which may, for the avoidance of doubt, include partial redemption of the Bonds against the payment of cash) the nature and effective date of such adjustment(s), and notify the Transaction Partners and, in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, the Bondholders of the occurrence of such Adjustment Event and the details of such adjustments to the Equity Entitlement as soon as reasonably practicable upon making such determinations.

2.7 With effect from the effective date of any such adjustment (which for the avoidance of doubt may be in the past), the Issuer, the Bondholders and the Transaction Partners shall take into account the relevant adjustment(s) so notified to them when making any determination and/or calculation they are required to make under the Terms and Conditions.

2.8 In making decisions regarding necessary adjustments pursuant to Condition 2.5 of this Issue Specific Annex, the Issuer shall not make adjustments which result in any extraordinary revenue to itself at the expense of the Bondholders. In the previous sentence 'extraordinary revenue' shall mean any revenue which would not be reasonably expected to be received by the Issuer in the absence of the Adjustment Event.

2.10 **[**Any determination, non-determination, suspension, adjustment or termination of any suspension shall only be made by the Issuer with the explicit written approval of the Determination Agent**]**

2.11 Notwithstanding Condition 15.3 (*Deposited Underlying Assets*) of the General Terms and Conditions, the Issuer may hold less Underlying Assets in the Secured Custody Account than the Secured Obligations Amount provided that such shortfall is:

3. Equity Disruption Event

The occurrence of an Equity Disruption Event in the form of a corporate split-up may result in the Issuer potentially being able to obtain (a) new Underlying Asset(s), in which case the Issuer may seek not to obtain any new Underlying Asset(s). Following the occurrence of an Equity Disruption Event in the form of a corporate split-up, the Issuer may opt to (but shall be under no obligation to) replace the Equity Entitlement for the relevant Underlying Asset(s) held in the Secured Property with an Equity Entitlement consisting of the Underlying Asset(s) and the new Underlying Asset(s), whereby the Equity Entitlement shall correspond to the Equity Entitlement relating to each Bond before the Equity Disruption Event in the form of a corporate split-up. In such case, the Issuer shall notify the Security Trustee and the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions above accordingly.

18. ISSUE SPECIFIC OPTION III: ETP LINKED BONDS

DEFINITIONS

The following terms have the meanings given to them below:

"**Adjustment Event**" has the meaning given in Issue Specific Annex **[**B**][●]**;

"**Asset Entitlement**" means at any date, the ETP Entitlement and/or payment of any other amount due, subject to a Permanent Adjustment;

"**Asset Equivalent**" means the ETP Equivalent;

"**Asset Execution Procedure**" means the ETP Execution Procedure;

"**Bondholder Account**" means:

(a) in relation to Bonds to be Redeemed by Physical Redemption, a Bondholder Custody Account; or

(b) in relation to any cash payment specified to be due by the Issuer to a Bondholder under the provisions of these Issue Specific Terms and Conditions, an account in the currency of the relevant Bond Currency,

which, in the case of an Authorised Participant, shall be notified in writing for such purposes by the Authorised Participant to the Issuer from time to time, pursuant to the provisions of the Authorised Participant Agreement, and in the case of a Non-AP Bondholder, shall be as specified in the Redemption Form;

"**Bond Currency Equivalent**" means in respect of any amount denominated in the Bond Currency, such Bond Currency amount and in respect of any amount denominated in a currency other than the Bond Currency (the "**Non-Bond Currency**"), the amount in the Bond Currency determined by the Issuer as being required to purchase such amount of such Non-Bond Currency with the Bond Currency as at the date of calculation at the rate equal to the spot rate of exchange for the purchase of the Non-Bond Currency with the Bond Currency available to the Issuer from a foreign exchange broker selected by the Issuer in good faith;

"**Bondholder Custody Account**" means the custodial account of the Bondholder which will be held with a custodian in the name of the Bondholder and used to receive or send the Underlying Asset(s);

"**Capital Adjustment Factor**" means an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, including but not limited to:

(a) any transactional costs;

(b) extraordinary events that may arise with respect to the Underlying Asset(s) of the Bonds; **[**.**][**;**][**and**]]**

(c) **[**cash amounts received by the Issuer in connection with the payment of cash distributions and/or other distributions relating to the Underlying Asset(s), as further specified below in Part II **[**;**][**and**]]**

(d) **[**FX Hedging Transfer Amounts resulting from FX Hedging Transactions, as further specified below in Part II**[**;**][**and**]]**

(e) **[**Covered Call Transfer Amounts resulting from Covered Call Transactions, as further specified below in Part II**[**;**][**and**]]**

(f) **[**Leveraged Exposure Transfer Amounts resulting from the Leveraged Exposure Transactions, as further specified below in Part II;**]**

as such amount may be adjusted from time to time.

For the avoidance of doubt: unless, and where applicable only to the extent, the Issuer has agreed to do so, the Issuer is not required to share any profits or benefits so received with the Bondholders;

"**Debt Disruption Event**" means any of the following events as determined by the Issuer in its reasonable discretion:

(a) any change in the regulatory or tax treatment applicable to the Underlying Asset(s), which could have a material effect on the value of the Underlying Asset(s) or the rights or remedies of any investor in the Underlying Asset(s);

(b) any change in the treatment of the Underlying Asset(s) under section 871(m) of the Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended;

(c) any event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Underlying Asset(s) on the exchange on which the Underlying Asset(s) is listed or to effect transactions in, or obtain market values for, futures or options contracts relating to the Underlying Asset(s) on any related exchange;

"**ETP Entitlement**" means at any date the amount(s) of the Underlying Asset(s) determined in accordance with Condition 2 (*ETP ENTITLEMENT*) of these Issue Specific Terms and Conditions, subject to a Permanent Adjustment;

"**ETP Equivalent**" means

(a) in respect of an Underlying Asset and any amount denominated in the Underlying Asset, the amount of such Underlying Asset; and

(b) in respect of an Underlying Asset and any amount denominated in debt securities or fund-shares other than the Underlying Asset (the "**Debt Security/ETP Equivalent**") or in a fiat currency (the "**Fiat Currency Equivalent**"), the amount in the Underlying Asset determined by the Issuer as being required to purchase the amount of such Debt Security/ETP Equivalent or Fiat Currency Equivalent,

with the Underlying Asset as at the date of calculation at the rate equal to the spot price for the purchase of the Debt Security/ETP Equivalent or Fiat Currency Equivalent with the Underlying Asset available to the Issuer from a broker or stock exchange selected by the Issuer in good faith;

"**ETP Execution Procedure**" has the meaning given in Condition 7 (*ETP EXECUTION PROCEDURES*) of these Issue Specific Terms and Conditions;

["**Fund Adjustment Event**" has the meaning given in Issue Specific Annex **[**B**][●]** below;**]**

["**Fund Documents**" means, in relation to the Underlying Asset(s), the foundation documents in the form of a prospectus, an information memorandum, a trust deed or a similar document, each as amended from time to time, which regulate the provisions, conditions and rights in relation to the Underlying Asset(s) and the individual units and shares of the Underlying Asset(s);**]**

["**Fund Manager**" means **[●]**, which is the company that manages the Underlying Asset(s);**]**

"**Mandatory Cash Redemption**" means in relation to the Mandatory Redemption of any Bonds, settlement of the Redemption Obligations in respect thereof by payment of the Redemption Amount in cash and in accordance with Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions and Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions;

"**Physical Redemption**" means in relation to the Redemption of Bonds, settlement of the Redemption Obligations in respect thereof by delivery of the relevant Underlying Asset(s) in accordance with Condition 2.5 (*Delivery of ETPs upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption**" means the redemption of Bonds by the Issuer in accordance with the Terms and Conditions (and "**Redeem**" or "**Redeemed**" shall be construed accordingly);

"**Redemption Deductions**" means a sum that may be charged by the Issuer reflecting costs, expenses or fees actually incurred by the Issuer in connection with a sale or the transfer of the Underlying Asset(s), as part of any Redemption which may include without limitation;

(a) the costs of giving notices under Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions being not greater than $500;

(b) any costs incurred by the Issuer, the Depositary or any of the Issuer's agents as part of a sale, purchase or exchange of the Underlying Asset(s);

(c) any banking fees or costs incurred as part of transfer of cash or Underlying Asset(s) between accounts of the Issuer and/or any Bondholder;

(d) costs incurred as part of currency conversions which may be necessary to facilitate Redemption;

(e) fees which are incurred as part of transfer of the Underlying Asset(s) from the Secured Custody Account to a Bondholder Custody Account;

(f) any costs, fees and expenses of the Security Trustee incurred in relation to enforcing the Security and taking any steps required as a part of a sale, a purchase or the transfer of the Underlying Asset(s);

(g) any costs determined by the Issuer and/or the Determination Agent to be part of Redemption Deductions;

(h) any withholding or deduction for or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax; or

(i) such other amounts as may be Notified pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

The Issuer will charge the respective Redemption Deductions by deducting an amount in the Bond Currency Equivalent (in case of Cash Redemptions) or in the Asset Equivalent (in case of Physical Redemptions) directly from the respective Redemption Amount.

"**Redemption Delivery Procedures**" means the Physical Redemption as set out in Condition 2.5 (*Delivery of ETPs upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption Obligations**" means the obligation of the Issuer on Redemption of a Bond to deliver the relevant Underlying Asset(s) (or if applicable, make payment) to the relevant Bondholder in accordance with the General Terms and Conditions;

"**Redemption Paying Procedures**" means (i) in the case of Voluntary Cash Redemption, as set out in Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions, or (ii) in the case of Mandatory Cash Redemption, as set out in Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions, as applicable;

"**Reference Price**" **[**means, in relation to an Underlying Asset, as of the relevant determination date, the **[**Bloomberg**] [●]** fixing for such an Underlying Asset (the "**Price Source**"**)** as **[**displayed**][**calculated**]** between

[16:00**][●]** and **[**16:15**][●] [**(EST)**][**(CET)**][**(GMT**)][**(UTC**)][●]] [**has the meaning given under the definition of "$\boldsymbol{P}_{(t)}$" in Issue Specific Annex **[**A**][●];]**

[The Issuer reserves the right, within its reasonable discretion, to replace the Price Source for the fixing of the Reference Price by an equivalent replacement price source (the "**Successor Price Source**").

Such replacement of the Price Source by the Successor Price Source shall become effective only after prior notice to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions given a reasonable number of days (taking into consideration the interests of the Bondholders and the relevant capital market practice) prior to such replacement.

The Successor Price Source shall replace the Price Source with immediate effect following notification to the Bondholders in case of (i) the permanent cessation of the Price Source; (ii) the announcement of the permanent cessation of the Price Source; and (iii) a temporary disruption of the Price Source for more than **[●]** consecutive days.

Following the replacement of the Price Source by the Successor Price Source becoming effective, this provision shall apply mutatis mutandis to the relevant replacement of such Successor Price Source by any new Successor Price Source. In this case, any reference in this provision to the term "Price Source" shall be deemed to be a reference to the Successor Price Source that last applied;**]**

["**Reset Event**" means the occurrence of an event where the Underlying Asset(s) constituting the ETP Entitlement (i) can no longer be made available by the Issuer or (ii) is/are no longer available due to the Underlying Asset(s) reaching its/their maturity date (if any) or is/are otherwise cancelled or terminated;**]**

"**Secured Custody Account**" means a custodial account operated by the Depositary on behalf of the Issuer, (i) where the assets held in such custodial account are segregated from the assets of any other customers of the Depositary, the assets of the Depositary itself and from any other assets of the Issuer; and (ii) where the rights and claims in connection with such assets are assigned as security in favour of the Bondholders, Security Trustee and Bondholder's representative (if appointed) pursuant to the Security Documents to secure the Issuer's obligations arising from the Bonds;

"**Suspended Day**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions;

"**Suspension Period**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions (and "**Suspended Period**" shall be construed accordingly);

"**Threshold Redemption Event**" occurs if on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the market value (as determined by the Issuer) of the ETP Entitlement per Bond is less than than **[●]** per cent. of the Principal Amount of such Bonds specified in the relevant Final Terms; and

"**Underlying Asset**" means **[●]**

1. ETP ENTITLEMENT

The provisions regarding the calculation and determination of the ETP Entitlement and its components are set out in Issue Specific Annex **[***insert relevant Annex***]** below.

2. REDEMPTION OF BONDS

2.1 Entitlement on Redemption

Each Bond shall carry:

(a) a right on a Voluntary Redemption under Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions:

(i) if Physical Redemption applies, to delivery of Underlying Assets in the Redemption Amount in accordance with the Redemption Delivery Procedures; and

(ii) if Cash Redemption applies, to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures,

on the applicable Voluntary Redemption Settlement Date;

(b) a right on a Mandatory Redemption under Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures on the applicable Mandatory Redemption Settlement Date.

2.2 Redemptions by Authorised Participants

An Authorised Participant may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.2 (*Redemption by Authorised Participants*) of the General Terms and Conditions.

Physical Redemption shall apply to all Voluntary Redemptions by a Bondholder who is also an Authorised Participant save that Cash Redemption will apply in the circumstances specified in Condition 2.6(a)(ii) (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.3 Redemptions by Non-AP Bondholders

A Non-AP Bondholder may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions. Cash Redemption shall apply to all Voluntary Redemptions by a Non-AP Bondholder to the extent the relevant Non-AP Bondholder has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset.

2.4 Redemption Notice

(a) In addition to the requirements as set out in Condition 6.4 (*Redemption Form*) of the General Terms and Conditions, in the case of a Non-AP Bondholder, a Redemption Form must specify a Bondholder Account.

(b) If the Redemption Form does not meet the requirements of Condition 2.4(a) (*Redemption Notice*) of these Issue Specific Terms and Conditions, then the Redemption Form shall be invalid.

2.5 Delivery of ETPs upon Voluntary Redemption

(a) Where Bonds held by a Bondholder are required to be Redeemed by Physical Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds, take all Necessary Redemption Actions (as defined in the General Terms and Conditions above) and to give effect to the Redemption Form as required by this Condition 2 to transfer the relevant Underlying Asset(s) attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Redemption Amount with respect to those Bonds, from the relevant Secured Custody Account to the relevant Bondholder Account, to be delivered to such account on the Voluntary Redemption Settlement Date.

(b) In the case of any Underlying Asset which is to be delivered as part of the Physical Redemption, settlement of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(c) From the Voluntary Redemption Settlement Date, in the case of Physical Redemption all title to and risks in the Redemption Amount in respect of each Bond shall pass to the holder of such Bonds. The Issuer shall not be responsible or liable for (and no Event of Default shall occur by virtue of) any failure by a Depositary to effect a delivery of Underlying Assets in accordance with the instructions of the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Bondholder its claims in relation to such Underlying Assets in satisfaction of all claims of such Bondholder in respect of the Bonds to be Redeemed and the Bondholder shall have no further claims against the Issuer or the Security.

(d) The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of Condition 2.5 (*Delivery of ETPs upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.6 Payment of Cash upon Voluntary Redemption

(a) Cash Redemption will apply if:

(i) a Non-AP Bondholder Redeems all or part of its holding of Bonds and has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset in accordance with Condition 6.3(a) (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions;

(ii) in case of an Authorised Participant, the Underlying Asset(s) to which the Bondholder is entitled on Redemption is not successfully delivered to the Bondholder (unless this results from the fault of the Issuer) and is not claimed by such Bondholder by the 30th calendar day after the Voluntary Redemption Settlement Date (whereupon the ETP Entitlement per Bond will be determined as of the Voluntary Redemption Settlement Date).

(b) Where Bonds are required to be Redeemed by Cash Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds take all necessary actions to give effect to the Redemption Form as required by this Condition 2 including, instructing the Execution Agent to sell the relevant Underlying Asset(s) in accordance with the ETP Execution Procedure as detailed in Condition 7 (*ETP EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

(c) the sale of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(d) The Issuer will transfer the aggregate Redemption Amount with respect to the Bonds on the Voluntary Redemption Settlement Date to the relevant Bondholder by transfer to the Bondholder Account.

(e) The obligations of the Issuer in respect of the Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.7 Suspension of Redemptions

If on any Valuation Date (a "**Threshold Event Date**") the Issuer determines that the prevailing market value of the ETP Entitlement in respect of a Bond is less than **[●]** per cent. of the Principal Amount:

(a) the Issuer may at any time after the Threshold Event Date, for so long as the Issuer determines that the prevailing market value of the ETP Entitlement continues to be less than the percentage level of the Principal Amount, suspend the right to request redemption of such Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions; and

(b) the Issuer may, without undue delay after the Threshold Event Date, reduce the Principal Amount to an amount the Issuer determines in its reasonable discretion taking into consideration the interests of the Bondholders and the relevant capital market practice.

Subject as provided in Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions, the Issuer may at its discretion terminate any such suspension at any time.

2.8 Suspension of Voluntary Redemptions

The following provisions shall apply where Voluntary Redemptions have been suspended:

(a) Agreed Pricing may continue;

(b) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the parties to the Programme Documents and, where Bondholders other than Authorised Participants are entitled to redeem Bonds pursuant to Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions, the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as reasonably practicable, but the failure to give such any such notice shall not prevent the exercise of such discretions;

(c) any such suspension may continue for a period of up to 60 days, and may continue thereafter at the discretion of the Issuer in the case of a suspension pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions, if the majority resolution referred to in Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions above has not been passed; and

(d) any suspension that has been implemented in accordance with Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions shall not affect any redemption pursuant to an Redemption Form, received (or deemed to have been received) on a prior date to that on which the suspension commenced, but any Redemption Form in respect of Bonds submitted or deemed to be received on a Valuation Date when the right to request redemption of the Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions is suspended pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions shall be invalid.

2.9 Disruption Events

The Issuer may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events has occurred or exists on such day with respect to the Bonds (each such event a "**Disruption Event**"):

(a) Trading Disruption;

(b) Service Provider Disruption:

(i) a Service Provider Disruption – Depositary; or

(ii) a Service Provider Disruption – Assets; or

(iii) a Service Provider Disruption – Investment Manager;

(c) Secured Accounts Disruption; **[**and/or**]**

(d) Adjustment Events**[**.**][**;**][**and/or**]**

(e) **[**Debt Disruption Event**][**.**][**;**][**and/or**]**

(f) **[***Covered Call Disruption:* any disruption(s) which have a materially adverse effect on the instatement, maintenance and settlement of the Covered Call Transactions**] [**.**][**;**][**and/or**]**

(g) **[***Leverage Disruption*: any disruption(s) which have a materially adverse effect on the settlement of the Leveraged Transactions**]**

(g) **[***FX Disruption:* any disruption(s) which have a materially adverse effect on the FX Counterparty's relevant hedging abilities**] [**.**][**;**][**and/or**]**

(h) **[***Calculation Disruption*: situations where the Issuer acting in good faith is unable to calculate the Asset Entitlement for the Bonds.**]**

2.10 Determination of Disruption Events and Suspension

(a) If the Issuer determines that a Disruption Event has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the immediately following Business Day give notice of the postponement and/or suspension of:

(i) any validated and/or non-validated subscription orders and/or Redemption Orders and any request for the Redemption of Bonds;

(ii) the settlement of any Redemption of Bonds; and/or

(iii) any Mandatory Redemption Settlement Date, Voluntary Redemption Settlement Date and/or delivery of the Underlying Asset(s) or the payment of any amount in connection therewith,

to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying:

(A) the Disruption Event which has occurred or is existing on the relevant day;

(B) whether the suspension and/or postponement relating to such Disruption Event will be in respect of a single day (a "**Suspended Day**") or for as long as the Disruption Event continues (a "**Suspension Period**"); and

(C) which of the dates and/or events set out in Conditions 2.10(a)(i) to 2.10(a)(iii) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions will be postponed and/or suspended on such Suspended Day or during such Suspended Period, as applicable (and, in determining this, the Issuer shall consider whether the relevant Disruption Event would disrupt the actions required to be performed by it, the Determination Agent, any Authorised Participant and/or any other Programme Party in connection with Redemption of Bonds, and/or any Mandatory Redemption of the Bonds),

such notice, a "**Suspension Notice**". If the Suspension Notice is in respect of a Suspension Period, such period will end when the Issuer notifies the Determination Agent, the Authorised Participants and the Security Trustee that such suspension and/or postponement is over.

In addition, if the Issuer determines that a Secured Accounts Disruption and/or Service Provider Disruption – Assets has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the Business Day immediately following a definitive determination give notice of a Permanent Adjustment to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying the amount of that Permanent Adjustment.

(b) The Issuer is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to Bonds on any day unless a Suspension Notice has been given in respect of a Suspension Period in which case the Issuer's obligation to monitor the relevant Disruption Event will continue until it has determined that such Disruption Event has ceased (following which it will give notification at the end of the Suspension Period in accordance with Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions). The Issuer shall have no liability to the Security Trustee, any Depositary, any Bondholder, any Authorised Participant or any other person for any determination or non-determination that it makes in good faith in respect of the occurrence or existence of a Disruption Event.

(c) The Issuer shall, as soon as reasonably practicable after receipt by it of a Suspension Notice give notice thereof to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

2.11 Postponement relating to the Redemption of the Bonds

(a) If, in respect of a Disruption Event, the Issuer has specified in the related Suspension Notice that the Mandatory Redemption Settlement Date, Final Redemption Date and/or Voluntary Redemption Settlement Date (a "**Disruption Postponable Date**") shall be postponed until following the end of the Suspended Day or Suspension Period, then if any Disruption Postponable Date does occur on the Suspended Day or during the Suspension Period, such Disruption Postponable Date shall be deemed to have been postponed until the first following Business Day, which is not a Disrupted Day or a day which falls within a Suspension Period, provided that if no such day has occurred on or prior to the 30th Business Day following such Disruption Postponable Date, the Issuer, acting in good faith and in consultation with the Determination Agent, may determine an appropriate method for Redeeming the Bonds and determining the Final Redemption Date and/or Voluntary Redemption Settlement Date, as applicable, for the purposes of such redemption of such Bonds (a "**Disrupted Redemption Method**"). For the avoidance of doubt, (i) if multiple days are specified as Disruption Postponable Dates, such Disruption Postponable Dates shall be deemed to have been postponed consistently to ensure that the same number of days passes between these multiple days as would pass if no Disruption Event had occurred, and (ii) if any Disruption Postponable Date is postponed in accordance with these Issue Specific Terms and Conditions, then any other dates or periods determined by reference to such Disruption Postponable Date that have yet to occur or conclude as at the time of such postponement shall also be postponed or adjusted accordingly.

(b) The Issuer shall, as soon as reasonably practicable following determination of any Disrupted Redemption Method, notify each Programme Party and the Bondholders of the details of such Disrupted Redemption Method in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

(c) No additional amount shall be payable or deliverable to any Authorised Participant or any Non-AP Bondholder in connection with any postponement to the timing, or any amendment to the method, in each case in accordance with Condition 2.11(a) (*Postponement relating to the Redemption of the Bonds*) of these Issue Specific Terms and Conditions, of Mandatory Redemption or Voluntary Redemption of the Bonds.

2.12 Timings for Redemption of the Bonds

A Redemption Form that is lodged by the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as lodged on that Business Day. A Redemption Form that is lodged after the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as having been lodged on the following Business Day.

3. MANDATORY REDEMPTION BY THE ISSUER

In relation to all Mandatory Redemptions to be effected in accordance with the General Terms and Conditions and these Issue Specific Terms and Conditions, the Issuer shall, on:

(a) the Mandatory Cash Redemption Sale Date (in the case of Redemption pursuant to Condition 7.1 (*Mandatory Redemption on Termination – Issuer Call Redemption Event*) of the General Terms and Conditions);and

(b) the Mandatory Redemption Notice Date (in the case of Redemption pursuant to Condition 7.2 (*Mandatory Redemption Events*) of the General Terms and Conditions, Condition 7.3 (*Mandatory Redemptions*) of the General Terms and Conditions),

take all necessary steps to give effect to the Mandatory Redemptions as required by this Condition 3, including but not limited to, the Necessary Redemption Actions and instructing the Execution Agent to sell

the Underlying Asset(s) attributable to or forming part of the Security in respect of the Bonds subject to such Mandatory Redemption in accordance with the ETP Execution Procedure as detailed in Condition 7 (*ETP EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

The Issuer will transfer the Redemption Amount to the relevant Bondholder on the Mandatory Redemption Settlement Date by transfer to the Bondholder's bank account subject to the Acceptable Delivery of Bonds to the Issuer by either depositing them into an appropriate Clearing System account (as directed by the Issuer) and giving correct delivery free of payment instructions in a Clearing System or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Bonds to the Issuer by agreement with the Issuer) provided that (if applicable) the Bondholder has made Acceptable Delivery of Bonds.

The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition.

4. REDEMPTION DEDUCTIONS

4.1 On a Voluntary Redemption of Bonds, the aggregate amount of the Redemption Deductions (which shall be calculated in respect of each Underlying Asset comprising the ETP Entitlement in respect of a Bond) shall be notified to the Bondholder at the time that the Redemption Amount is paid to the Bondholder.

4.2 On a Mandatory Redemption of Bonds by the Issuer, the Issuer shall notify the Bondholders whose Bonds are subject to Mandatory Redemption of the aggregate amount of the Redemption Deductions, and their allocation to particular Bondholders pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

5. RESET OF ETP ENTITLEMENT

5.1 The ETP Entitlement shall be adjusted as provided in Condition 5 (*RESET OF ETP ENTITLEMENT*) of these Issue Specific Terms and Conditions (each such adjustment, a "**Reset**").

5.2 The occurrence of a Reset Event may result in the Underlying Assets attributable to or forming part of the Secured Property being fully or partially unavailable. In such case the Issuer may, acting in good faith and in a commercially reasonable manner, opt to (but shall be under no obligation to) replace the ETP Entitlement for the relevant Underlying Assets held in the Secured Property with an ETP Entitlement consisting of (i) solely the additional exchange traded product(s) or (ii) the Underlying Assets and the additional exchange traded product(s), whereby, in each case (i) and (ii):

(a) such additional exchange traded product(s) shall contain substantially the same economic terms and payout features as the Underlying Assets originally constituting the ETP Entitlement;

(b) such additional exchange traded product(s) shall constitute Underlying Assets in respect of the Bonds;

(c) the ETP Entitlement shall correspond to the ETP Entitlement relating to each Bond before the Reset Event; and

(d) the Issuer shall notify the Bondholders in writing pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions not less than 5 Business Days prior to occurrence of the expected Reset Event, whereby such notification shall set out the facts leading to the occurrence of the Reset Event and the decision of the Issuer to replace the ETP Entitlement according to (i) or (ii) above, as applicable.

6. BUSINESS ACTIVITIES

[For the avoidance of doubt, and notwithstanding anything in Condition 15 (*COVENANTS*) of the General Terms and Conditions, the Issuer may use the Deposited Underlying Assets in activities related to:

(a) **[[●]**, which may result in partial or total loss of the Deposited Underlying Assets due to a **[●]**, in which case the ETP Entitlement might be reduced (even to zero) following the respective application of the Capital Adjustment Factor and the Bondholders might suffer a total or partial loss.**]**

(b) **[●].]**

[Not applicable**.]**

7. ETP EXECUTION PROCEDURE

7.1 If the Issuer is required, pursuant to these Issue Specific Terms and Conditions, to conduct a ETP Execution Procedure, the Execution Agent shall upon instructions from the Issuer sell in accordance with the Execution Agency Agreement the Underlying Assets attributable to or forming part of the Security in respect of the Bonds subject to Cash Redemption in an amount equal to the ETP Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable) (the "**ETP Execution Procedure**").

7.2 *Totally Failed Execution and special provisions for Mandatory Redemption*

7.3 The ETP Execution Procedure required by any Condition other than Mandatory Redemption process shall be deemed to be unsuccessful if the Execution Agent fails to sell any units of the Underlying Asset it has been instructed to sell by the Issuer, for whatever reason (including, without limitation, as a result of disruption to the availability of the Reference Price) (a "**Totally Failed Execution**").

7.4 If the ETP Execution Procedure required as part of the Mandatory Redemption process is unsuccessful (in full or in part), the Issuer shall sell the required amount(s) of Underlying Assets using any reasonable efforts to achieve best possible price for the Bondholders (including, without limitation, repeated use of the ETP Execution Procedure or other methods at the Issuer's discretion) within a reasonable period of time. Upon completion, proceeds of such sale(s) shall be considered the proceeds of the initially required ETP Execution Procedure.

7.5 Without prejudice to other provisions of this Condition 7, in case of a Totally Failed Execution, the Issuer shall return all Bonds previously delivered to the Issuer in relation to which the Cash Redemption was exercised, to the Bondholder within a reasonable period. The Issuer may choose to charge any Exercise Fee to the respective Bondholder in case of a Totally Failed Execution. In this case, the Issuer shall forfeit such number of Bonds for its own benefit to become Issuer-Owned Bonds from the Bonds to be returned to the Bondholder, to the extent that ETP Entitlement, as of the Voluntary Redemption Date, multiplied by the number of Bonds forfeited does not exceed the Exercise Fee.

7.6 *Partially Failed Execution*

Without prejudice to other provisions of this same paragraph, in the event that Cash Redemption not associated with a Mandatory Redemption was exercised in relation to the Bonds and it is not possible for the Execution Agent to fully execute the ETP Execution Procedure for one, or more (but not all) of the Underlying Assets constituting the ETP Entitlement (as a result of a Disruption Event or otherwise) (the "**Affected Underlying Assets**") (a "**Partially Failed Execution**"), the Issuer shall, in its sole and absolute discretion:

(a) transfer the cash proceeds generated from the successful element of the ETP Execution Procedure to the redeeming Bondholder; and

(b) retain, and hold on trust for the benefit of the Bondholder, the Affected Underlying Assets until the redeeming Bondholder provides instructions for the Issuer to transfer the Affected Underlying Assets in the form of a Physical Redemption (if permissible) or until such time as the Execution Agent can sell it and transfer the proceeds in the form of a Cash Redemption.

Issue Specific Annex [A][●] – ETP Entitlement

"**ETP Entitlement**" means**[**, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Underlying Asset comprising the Bond.

On the Issue Date, the ETP Entitlement corresponds to the Initial ETP Entitlement (as defined below).

On any day after the Issue Date, the ETP Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$EE_{(t)} = EE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

Where:

"$\boldsymbol{EE_{(t)}}$" means the ETP Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**CAF$_{(t-x)}$**" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date;

"$\boldsymbol{EE_{(t-1)}}$" means the ETP Entitlement on the previous day before day "t" days after the Issue Date;

"$\boldsymbol{EE_{(0)}}$" or "**Initial ETP Entitlement**" means **[●]**, the ETP Entitlement on the Issue Date; and

Issue Specific Annex [B][●]– Adjustments and Special Situations

1. DEFINITIONS

For the purposes of this Issue Specific Annex, terms defined in the Terms and Conditions have the meanings given to them in the Terms and Conditions unless otherwise defined in this Issue Specific Annex. The following terms have the meanings given to them below:

"**Adjustment Event**" means **[**a Debt Adjustment Event**] [**a Fund Adjustment Event**]**;

["**Collateral Shortfall Event**" means the situation where, contrary to the covenant set out in Condition 15.3 (*Deposited Underlying Assets*) of the General Terms and Conditions, the amount of Underlying Assets held by the Issuer in the Secured Custody Account permanently falls below the Secured Obligations Amounts due to the execution of a Reset following a Reset Event;**]**

["**Debt Adjustment Event**" means any of the following events or circumstances occur in relation to the Underlying Asset:

(a) a Debt Disruption Event;

(b) any Tender Offer;

(c) a Merger Event; and/or

(d) a Delisting;**]**

["**Delisting**" means that an exchange, on which the Underlying Asset is listed, announces that pursuant to the rules of such exchange, the Underlying Asset ceases (or will cease) to be listed, traded or publicly quoted on such exchange for any reason (other than a Merger Event, Tender Offer, transfer, consolidation, dissolution or termination of the Underlying Asset) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the exchange (or, where the exchange is within the European Union, in any member state of the European Union);**]**

["**Fund Adjustment Event**" means any of the following events or circumstances occur in relation to the Underlying Asset:

(a) the initiation or implementation of regulatory measures in relation to the activities of the Fund Manager or the relevant fund with regard to the alleged infringement of legal, regulatory or other provisions in connection with the operations of the Fund Manager or the relevant fund by the competent governmental agency, regulatory authority or other competent authority;

(b) a subdivision, consolidation or reclassification of the fund-shares;

(c) a material change in the investment programme, investment targets, investment policy, investment strategy, investment procedure or investment guidelines of the Fund;

(d) the Fund Manager of the fund is charged with a criminal offence within the context of its function or deliberately gives substantially false information in a document;

(e) the Fund Manager or the relevant fund applies for the appointment of an administrator, provisional liquidator, insolvency administrator, trustee, custodian or any other person with a similar function to act on behalf of it or whose authority the Fund Manager or the relevant fund shall be subordinated to;

(f) the initiation or implementation of a dissolution, winding up, official liquidation (e.g. within the framework of an insolvency) or a similar event of the Fund Manager or the relevant fund;

(g) the Fund Manager, the custodian, the trustee or any person with a similar function in relation to the relevant fund ceases to act in its capacity as custodian, trustee or other similar function;

(h) the merger, transfer, consolidation, dissolution or termination of the Fund Manager or the relevant fund;

(i) the final or temporary (objective, local or other kind of) revocation or limitation of the admission or the sales permission of the Fund Manager or the relevant fund;

(j) the final or temporary withdrawal of the right of the Fund Manager to manage the relevant fund or, in the case of share classes, individual share classes;

(k) the Fund Manager's or the relevant fund's violation against legal or other existing reporting requirements (e.g. price per share of the fund, composition of the fund, other financial ratios);

(l) the temporary suspension or withdrawal of shares of the relevant fund for at least 10 days;

(m) the redemption or the compulsory redemption of fund-shares by the Fund Manager or the relevant fund;

(n) the imposition of limitations, fees or costs in relation to a redemption or issue of fund-shares by the Fund Manager or the relevant fund (excluding such limitations, fees, costs which have already existed on the Issue Date;

(o) material changes of the relevant fund, such as changes with regard to its foundation documents, or the occurrence of a change or an event with material effects on the Fund, such as the interruption, suspension or failure of the calculation of prices of the fund-share, unless the interruption or the failure is remedied within 10 days;

(p) a change of the currency in which the fund-shares are calculated;

(q) a substantial violation against the provisions of the Fund Documents or other relevant documents of the relevant fund, the subscription agreements, the strategy or investment guidelines or other agreements concluded by the relevant fund and/or the Fund Manager, which can be assumed with high probability that it will have a negative impact on the value of the relevant fund;

(r) the change of tax law applicable to the relevant fund and/or fund-share or any other change of fiscal status of the relevant fund or fund-share, which either may have a similar effect as the above-mentioned events on the value of the relevant fund or the fund-share or which is comparable to the above-mentioned events;

(s) an event, which probably makes the determination of the reference price of the fund-share impossible within the term of the Bonds;

(t) a Delisting of the relevant fund;

(u) a nationalization of the Fund Manager or the relevant fund; and/or

(v) any other similar event in relation to the Fund Manager, the relevant fund or the fund-share, which may either have a similar effect on the value of the relevant fund or the fund-share or which is comparable to the above-mentioned events;**]**

["**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer;

"**Merger Event**" means any change, offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Asset(s) of the respective issuer of the Underlying Asset(s) that results in a transfer of or an irrevocable commitment to transfer all such Underlying Asset(s) (other than such Underlying Asset(s) owned or controlled by such other entity or person), or consolidation, amalgamation, merger or binding debt security exchange of the respective issuer of the Underlying Asset(s) or its subsidiaries with or into another entity in which the respective issuer of the Underlying Asset(s) is the continuing entity and which does not result in a reclassification or change of all such Underlying Asset(s) outstanding but results in the outstanding Underlying Asset(s) (other than Underlying Asset(s) owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Asset(s) immediately following such event, in each case if the respective Merger Date is on or before the Final Trading Date;**]**

["**Tender Offer**" means a tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding Underlying Asset(s), as determined by the Issuer;**]**

2. SUSPENSION OF REDEMPTION AND ADJUSTMENTS

2.1 *Suspension of Redemption*

If the Issuer, in its sole and absolute discretion, determines that due to a Disruption Event(s), it would adversely affect the interests of the Issuer or the Bondholders to continue to permit Redemptions, the Issuer may at any time and from time to time while such Disruption Event(s) are continuing suspend the right to, or timings of any Redemption (including Voluntary Redemption(s) and Mandatory Redemption(s)), including the ones which are already pending.

2.2 Subject to provisions of Condition 2 of this Issue Specific Annex, the Issuer may in its sole and absolute discretion terminate such suspension at any time.

2.3 The following provisions shall apply where Redemptions have been suspended:

(i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Transaction Partners, and to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as practicable, but the failure to give any such notice shall not prevent the exercise of its powers to institute suspensions and terminations of such suspensions; and

(ii) any such suspension may continue for a period of up to 60 (sixty) calendar days, after the expiration of which the Issuer shall either: (i) remove any applicable restrictions on the Redemption of the Bonds; or (ii) trigger the Mandatory Redemption process (or, in case suspension was declared during the Mandatory Redemption process, take all commercially reasonable steps to finalize such Mandatory Redemption without further suspensions).

2.4 The Issuer shall have no liability to the Authorised Participants, the Security Trustee, any of the Transaction Partner(s), the Bondholders or any other person for any determination or non-determination that it makes in respect of the occurrence, existence or continuation of a Disruption Event.

2.5 If an Adjustment Event has occurred, the Issuer shall, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the ETP Entitlement to account for the economic effect on the Bonds of the relevant Adjustment Event, in particular and without limitation: to the greatest degree commercially practicable assign to the Bondholders the economic benefit or loss of any Adjustment Event as if the Bondholders held the Underlying Assets comprising the ETP Entitlement in respect of each Bond directly in their name.

2.6 If the Issuer determines that it is appropriate to make such adjustments, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner (which may, for the avoidance of doubt, include partial redemption of the Bonds against the payment of cash) the nature and effective date of such adjustment(s), and notify the Transaction Partners and, in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, the Bondholders of the occurrence of such Adjustment Event and the details of such adjustments to the ETP Entitlement as soon as reasonably practicable upon making such determinations.

2.7 With effect from the effective date of any such adjustment (which for the avoidance of doubt may be in the past), the Issuer, the Bondholders and the Transaction Partners shall take into account the relevant adjustment(s) so notified to them when making any determination and/or calculation they are required to make under the Terms and Conditions.

2.8 In making decisions regarding necessary adjustments pursuant to Condition 2.5 of this Issue Specific Annex, the Issuer shall not make adjustments which result in any extraordinary revenue to itself at the expense of the Bondholders. In the previous sentence 'extraordinary revenue' shall mean any revenue which would not be reasonably expected to be received by the Issuer in the absence of the Adjustment Event.

2.9 **[**In case a Collateral Shortfall Event occurs: (i) ETP Entitlement per Bond shall be the amount of the Deposited Underlying Assets divided by the number of Outstanding Bonds on the date of the notification of the Collateral Shortfall Event to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, whereby such ETP Entitlement shall affect all unfinalized Redemption transactions even if they were initiated prior to such change; and (ii) the ETP Entitlement shall evolve thereafter in accordance with the formulas set out in Issue Specific Annex **[**A**][●]** above disregarding any effect of the formulas on the ETP Entitlement value prior to the relevant Collateral Shortfall Event.**]**

2.10 **[**Any determination, non-determination, suspension, adjustment or termination of any suspension shall only be made by the Issuer with the explicit written approval of the Determination Agent**]**

2.11 Notwithstanding Condition 15.3 (*Deposited Underlying Assets*) of the General Terms and Conditions, the Issuer may hold less Underlying Assets in the Secured Custody Account than the Secured Obligations Amount provided that such shortfall is:

(a) reasonably required to execute one or more Resets (including without limitation withdrawals of amounts to be sold from the Depositary to be transferred to the Execution Agent);**]** or

(b) continuing only until such time as ETP Entitlement is adjusted accordingly due to the Collateral Shortfall Event, and is a result of a Collateral Shortfall Event which is occurring as a result of one or more Resets.

19. ISSUE SPECIFIC OPTION IV: INDEX LINKED BONDS

DEFINITIONS

The following terms have the meanings given to them below:

"**Adjustment Event**" has the meaning given in Issue Specific Annex **[**B**][●]**;

"**Asset Entitlement**" means at any date, the Index Entitlement and/or payment of any other amount due, subject to a Permanent Adjustment;

"**Asset Equivalent**" means the Index Equivalent;

"**Asset Execution Procedure**" means the Index Execution Procedure;

"**Bondholder Account**" means:

(a) in relation to Bonds to be Redeemed by Physical Redemption, a Bondholder Custody Account; or

(b) in relation to any cash payment specified to be due by the Issuer to a Bondholder under the provisions of these Issue Specific Terms and Conditions, an account in the currency of the relevant Bond Currency,

which, in the case of an Authorised Participant, shall be notified in writing for such purposes by the Authorised Participant to the Issuer from time to time, pursuant to the provisions of the Authorised Participant Agreement, and in the case of a Non-AP Bondholder, shall be as specified in the Redemption Form;

"**Bond Currency Equivalent**" means in respect of any amount denominated in the Bond Currency, such Bond Currency amount and in respect of any amount denominated in a currency other than the Bond Currency (the "**Non-Bond Currency**"), the amount in the Bond Currency determined by the Issuer as being required to purchase such amount of such Non-Bond Currency with the Bond Currency as at the date of calculation at the rate equal to the spot rate of exchange for the purchase of the Non-Bond Currency with the Bond Currency available to the Issuer from a foreign exchange broker selected by the Issuer in good faith;

"**Bondholder Custody Account**" means the custodial account of the Bondholder which will be held with a custodian in the name of the Bondholder and used to receive or send the Underlying Asset(s);

"**Calculation Disruption**" means that the Issuer, acting in good faith, is unable to calculate the Index Entitlement (including, without limitation, if it is not possible to determine the **RCR** or $\boldsymbol{RTV}^{\boldsymbol{i}}_{(\boldsymbol{t})}$ in respect of a Rebalance Day);

"**Capital Adjustment Factor**" means an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, including but not limited to:

(a) any transactional costs;

(b) extraordinary events that may arise with respect to the Underlying Asset(s) of the Bonds **[**.**][**;**][**and**]**

(c) **[**cash amounts received by the Issuer in connection with the payment of cash dividends and/or other distributions relating to the Underlying Asset(s), as further specified below in Part II **[**;**][**and**]**

(d) **[**FX Hedging Transfer Amounts resulting from FX Hedging Transactions, as further specified below in Part II**[**;**][**and**]]**

(e) **[**Covered Call Transfer Amounts resulting from Covered Call Transactions, as further specified below in Part II**[**;**][**and**]]**

(f) **[**Leveraged Exposure Transfer Amounts resulting from the Leveraged Exposure Transactions, as further specified below in Part II;**]**

as such amount may be adjusted from time to time.

For the avoidance of doubt: unless, and where applicable only to the extent, the Issuer has agreed to do so, the Issuer is not required to share any profits or benefits so received with the Bondholders;

"**Index**" means **[●]**;

"**Index Components**" means each of the individual components comprising the Index, in each case in a composition and weighting as triggered by the most recent Rebalancing;

"**Index Equivalent**" means

(a) in respect of an Underlying Asset and any amount denominated in the Underlying Asset, such amount of the Underlying Asset; and

(b) in respect of an Underlying Asset and any amount denominated in assets of the same type as the Index Components other than the Underlying Asset (the "**Index Component Equivalent**") or in a fiat currency (the "**Fiat Currency Equivalent**"), the amount in the Underlying Asset determined by the Issuer as being required to purchase the amount of such Index Component Equivalent or Fiat Currency Equivalent,

with the Underlying Asset as at the date of calculation at the rate equal to the spot price for the purchase of the Index Component Equivalent or Fiat Currency Equivalent with the Underlying Asset available to the Issuer from a broker or stock exchange selected by the Issuer in good faith;

"**Index Execution Procedure**" has the meaning given in Condition 6 (*INDEX EXECUTION PROCEDURE*) of these Issue Specific Terms and Conditions;

"**Index Methodology**" means **[***insert reference to Index Methodology***]**;

The Issuer reserves the right, in its reasonable discretion, to replace the Index and the corresponding Index Methodology with an index (the "**Replacement Index**") and corresponding index methodology (the "**Replacement Index Methodology**"), which the Issuer deems to be comparable to the initial Index, the components of the initial Index and its Index Methodology, provided it notifies the Bondholders thereof in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions. Following any such replacement, any reference to the term Index and Index Methodology shall refer to the Replacement Index and the Replacement Index Methodology. All provisions in these Terms and Conditions (for the avoidance of doubt, including this provision) shall apply mutatis mutandis to the relevant replacement of such Replacement Index and Replacement Index Methodology by any new Replacement Index and Replacement Index Methodology. In this case, any reference in this provision to the term Replacement Index and Replacement Index Methodology shall be deemed to be a reference to the Replacement Index and Replacement Index Methodology that last applied. The Issuer shall at all times maintain an "Index" and "Index Methodology";

"**Index Sponsor**" means, initially, the entity specified in Condition 10 (*TRANSACTION PARTNERS)* of the General Terms and Conditions above. The Issuer shall replace the Index Sponsor with the index sponsor of the relevant Replacement Index following a replacement of the Index by the relevant Replacement Index (the "**Replacement Index Sponsor**") accordingly. The Issuer shall notify the Bondholders thereof together with the replacement of the Index by the relevant Replacement Index in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions as specified above. Following any such replacement, any reference to the term Index Sponsor shall refer to the Replacement Index Sponsor. All provisions in these Terms and Conditions (for the avoidance of doubt, including this provision) shall apply mutatis mutandis to the relevant replacement of such Replacement Index Sponsor by any new Replacement Index Sponsor. In this case, any reference in this provision to the term Replacement Index Sponsor shall be deemed to be a reference to the Replacement Index and Replacement Index Sponsor that last applied;

"**Mandatory Cash Redemption**" means in relation to the Mandatory Redemption of any Bonds, settlement of the Redemption Obligations in respect thereof by payment of the Redemption Amount in cash and in accordance with Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions and Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions;

"**Physical Redemption**" means in relation to the Redemption of Bonds, settlement of the Redemption Obligations in respect thereof by delivery of the relevant Underlying Asset(s) in accordance with Condition 2.5 (*Delivery of Index Components upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption**" means the redemption of Bonds by the Issuer in accordance with the Terms and Conditions (and "**Redeem**" or "**Redeemed**" shall be construed accordingly);

"**Redemption Deductions**" means a sum that may be charged by the Issuer reflecting costs, expenses or fees actually incurred by the Issuer in connection with a sale or the transfer of the Underlying Asset(s), as part of any Redemption which may include without limitation;

(a) the costs of giving notices under Condition 7 (*MANDATORY REDEMPTION BY THE ISSUER*) of the General Terms and Conditions being not greater than $500;

(b) any costs incurred by the Issuer, the Depositary or any of the Issuer's agents as part of a sale, purchase or exchange of the Underlying Asset(s);

(c) any banking fees or costs incurred as part of transfer of cash or Underlying Asset(s) between accounts of the Issuer and/or any Bondholder;

(d) costs incurred as part of currency conversions which may be necessary to facilitate Redemption;

(e) fees which are incurred as part of transfer of the Underlying Asset(s) from the Secured Custody Account to a Bondholder Custody Account;

(f) any costs, fees and expenses of the Security Trustee incurred in relation to enforcing the Security and taking any steps required as a part of a sale, a purchase or the transfer of the Underlying Asset(s);

(g) any costs determined by the Issuer and/or the Determination Agent to be part of Redemption Deductions;

(h) any withholding or deduction for or on account of, any present or future taxes, duties, assessments or government charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax; or

(i) such other amounts as may be Notified pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

The Issuer will charge the respective Redemption Deductions by deducting an amount in the Bond Currency Equivalent (in case of Cash Redemptions) or in the Asset Equivalent (in case of Physical Redemptions) directly from the respective Redemption Amount.

"**Redemption Delivery Procedures**" means the Physical Redemption as set out in Condition 2.5 (*Delivery of Index Components upon Voluntary Redemption*) of these Issue Specific Terms and Conditions;

"**Redemption Obligations**" means the obligation of the Issuer on Redemption of a Bond to deliver the relevant Underlying Asset(s) (or if applicable, make payment) to the relevant Bondholder in accordance with the General Terms and Conditions;

"**Redemption Paying Procedures**" means (i) in the case of Voluntary Cash Redemption, as set out in Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions, or (ii) in the

case of Mandatory Cash Redemption, as set out in Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions, as applicable;

"**Reference Price**" **[**means, in relation to an Underlying Asset, as of the relevant determination date, the **[**Bloomberg**] [●]** fixing for such an Underlying Asset (the "**Price Source**"**)** as **[**displayed**][**calculated**]** between **[**16:00**][●]** and **[**16:15**][●] [**(EST)**][**(CET)**][(**GMT**)][(**UTC**)][●]] [**has the meaning given under the definition of "$P_{(t)}$" in Issue Specific Annex **[**A**][●];]**

[The Issuer reserves the right, within its reasonable discretion, to replace the Price Source for the fixing of the Reference Price by an equivalent replacement price source (the "**Successor Price Source**").

Such replacement of the Price Source by the Successor Price Source shall become effective only after prior notice to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions given a reasonable number of days (taking into consideration the interests of the Bondholders and the relevant capital market practice) prior to such replacement.

The Successor Price Source shall replace the Price Source with immediate effect following notification to the Bondholders in case of (i) the permanent cessation of the Price Source; (ii) the announcement of the permanent cessation of the Price Source; and (iii) a temporary disruption of the Price Source for more than **[●]** consecutive days.

Following the replacement of the Price Source by the Successor Price Source becoming effective, this provision shall apply mutatis mutandis to the relevant replacement of such Successor Price Source by any new Successor Price Source. In this case, any reference in this provision to the term "Price Source" shall be deemed to be a reference to the Successor Price Source that last applied;**]**

"**Secured Custody Account**" means a custodial account operated by the Depositary on behalf of the Issuer, (i) where the assets held in such custodial account are segregated from the assets of any other customers of the Depositary, the assets of the Depositary itself and from any other assets of the Issuer; and (ii) where the rights and claims in connection with such assets are assigned as security in favour of the Bondholders, Security Trustee and Bondholder's representative (if appointed) pursuant to the Security Documents to secure the Issuer's obligations arising from the Bonds;

"**Suspended Day**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions;

"**Suspension Period**" has the meaning given to it in Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions (and "**Suspended Period**" shall be construed accordingly);

"**Threshold Redemption Event**" occurs if on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the market value (as determined by the Issuer) of the Index Entitlement per Bond is less than **[●]** per cent. of the Principal Amount of such Bonds specified in the relevant Final Terms; and

"**Underlying Asset**" means **[●][**the Index**]**. Unless otherwise stated herein and save for the provisions which specificly refer to the "Index" as such, when used in these Terms and Conditions the term "Underlying Asset" shall also refer to the Index Components.

1. INDEX ENTITLEMENT

The provisions regarding the calculation and determination of the Index Entitlement and its components are set out in Issue Specific Annex **[***insert relevant Annex***]** below.

2. REDEMPTION OF BONDS

2.1 Entitlement on Redemption

Each Bond shall carry:

(a) a right on a Voluntary Redemption under Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions:

(i) if Physical Redemption applies, to delivery of Underlying Assets in the Redemption Amount in accordance with the Redemption Delivery Procedures; and

(ii) if Cash Redemption applies, to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures,

on the applicable Voluntary Redemption Settlement Date;

(b) a right on a Mandatory Redemption under Condition 3 (*MANDATORY REDEMPTION BY THE ISSUER*) of these Issue Specific Terms and Conditions to payment of the Redemption Amount in the Bond Currency in accordance with the Redemption Payment Procedures on the applicable Mandatory Redemption Settlement Date.

2.2 Redemptions by Authorised Participants

An Authorised Participant may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.2 (*Redemption by Authorised Participants*) of the General Terms and Conditions.

Physical Redemption shall apply to all Voluntary Redemptions by a Bondholder who is also an Authorised Participant save that Cash Redemption will apply in the circumstances specified in Condition 2.6(a)(ii) (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.3 Redemptions by Non-AP Bondholders

A Non-AP Bondholder may require the Issuer to effect a Voluntary Redemption of Bonds in accordance with Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions. Cash Redemption shall apply to all Voluntary Redemptions by a Non-AP Bondholder to the extent the relevant Non-AP Bondholder has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset.

2.4 Redemption Notice

(a) In addition to the requirements as set out in Condition 6.4 (*Redemption Form*) of the General Terms and Conditions, in the case of a Non-AP Bondholder, a Redemption Form must specify a Bondholder Account.

(b) If the Redemption Form does not meet the requirements of Condition 2.4(a) (*Redemption Notice*) of these Issue Specific Terms and Conditions, then the Redemption Form shall be invalid.

2.5 Delivery of Index Components upon Voluntary Redemption

(a) Where Bonds held by a Bondholder are required to be Redeemed by Physical Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds, take all Necessary Redemption Actions (as defined in the General Terms and Conditions above) and to give effect to the Redemption Form as required by this Condition 2 to transfer the relevant Underlying Asset(s) attributable to or forming part of the Security in respect of such Bonds in an amount equal to the Redemption Amount with respect to those Bonds, from the relevant Secured Custody Account to the relevant Bondholder Account, to be delivered to such account on the Voluntary Redemption Settlement Date.

(b) In the case of any Underlying Asset which is to be delivered as part of the Physical Redemption, settlement of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(c) From the Voluntary Redemption Settlement Date, in the case of Physical Redemption all title to and risks in the Redemption Amount in respect of each Bond shall pass to the holder of such Bonds. The Issuer shall not be responsible or liable for (and no Event of Default shall occur by virtue of) any failure by a Depositary to effect a delivery of Underlying Assets in accordance with the instructions of the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Bondholder its claims in relation to such Underlying Assets in satisfaction of all claims of such Bondholder in respect of the Bonds to be Redeemed and the Bondholder shall have no further claims against the Issuer or the Security.

(d) The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of Condition 2.5 (*Delivery of Index Components upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.6 Payment of Cash upon Voluntary Redemption

(a) Cash Redemption will apply if:

(i) a Non-AP Bondholder Redeems all or part of its holding of Bonds and has requested Cash Redemption in fulfilment of its delivery claim to the Underlying Asset in accordance with Condition 6.3(a) (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions;

(ii) in case of an Authorised Participant, the Underlying Asset(s) to which the Bondholder is entitled on Redemption is not successfully delivered to the Bondholder (unless this results from the fault of the Issuer) and is not claimed by such Bondholder by the 30th calendar day after the Voluntary Redemption Settlement Date (whereupon the Index Entitlement per Bond will be determined as of the Voluntary Redemption Settlement Date).

(b) Where Bonds are required to be Redeemed by Cash Redemption, the Issuer shall upon receipt of the relevant valid Redemption Form and Acceptable Delivery of Bonds take all necessary actions to give effect to the Redemption Form as required by this Condition 2 including, instructing the Execution Agent to sell the relevant Underlying Asset(s) in accordance with the Index Execution Procedure as detailed in Condition 6 (*INDEX EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

(c) the sale of such Underlying Asset may be delayed by the time period reasonably needed to effect the Necessary Redemption Actions.

(d) The Issuer will transfer the aggregate Redemption Amount with respect to the Bonds on the Voluntary Redemption Settlement Date to the relevant Bondholder by transfer to the Bondholder Account.

(e) The obligations of the Issuer in respect of the Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 2.6 (*Payment of Cash upon Voluntary Redemption*) of these Issue Specific Terms and Conditions.

2.7 Suspension of Redemptions

If on any Valuation Date (a "**Threshold Event Date**") the Issuer determines that the prevailing market value of the Index Entitlement in respect of a Bond is less than **[●]** per cent. of the Principal Amount of the Principal Amount:

(a) the Issuer may at any time after the Threshold Event Date, for so long as the Issuer determines that the prevailing market value of the Index Entitlement continues to be less than the percentage level of the Principal Amount, suspend the right to request redemption of such Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions; and

(b) the Issuer may, without undue delay after the Threshold Event Date, reduce the Principal Amount to an amount the Issuer determines in its reasonable discretion taking into consideration the interests of the Bondholders and the relevant capital market practice.

Subject as provided in Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions, the Issuer may at its discretion terminate any such suspension at any time.

2.8 Suspension of Voluntary Redemptions

The following provisions shall apply where Voluntary Redemptions have been suspended:

(a) Agreed Pricing may continue;

(b) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the parties to the Programme Documents and, where Bondholders other than Authorised Participants are entitled to redeem Bonds pursuant to Condition 6.3 (*Redemption by Non-AP Bondholders*) of the General Terms and Conditions, the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as reasonably practicable, but the failure to give such any such notice shall not prevent the exercise of such discretions;

(c) any such suspension may continue for a period of up to 60 days, and may continue thereafter at the discretion of the Issuer in the case of a suspension pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions, if the majority resolution referred to in Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions above has not been passed; and

(d) any suspension that has been implemented in accordance with Condition 2.7 (*Suspension of Redemptions*) of these Issue Specific Terms and Conditions shall not affect any redemption pursuant to an Redemption Form, received (or deemed to have been received) on a prior date to that on which the suspension commenced, but any Redemption Form in respect of Bonds submitted or deemed to be received on a Valuation Date when the right to request redemption of the Bonds pursuant to Condition 2 (*REDEMPTION OF BONDS*) of these Issue Specific Terms and Conditions is suspended pursuant to Condition 2.9 (*Disruption Events*) of these Issue Specific Terms and Conditions shall be invalid.

2.9 Disruption Events

The Issuer may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events has occurred or exists on such day with respect to the Bonds (each such event a "**Disruption Event**"):

(a) Trading Disruption;

(b) Service Provider Disruption:

(i) a Service Provider Disruption – Depositary; or

(ii) a Service Provider Disruption – Assets; or

(iii) a Service Provider Disruption – Investment Manager;

(c) Secured Accounts Disruption;

(d) Calculation Disruption **[**and/or**]**

(e) Adjustment Events**[**.**][**;**][**and/or**]**

(f) **[***FX Disruption:* any disruption(s) which have a materially adverse effect on the FX Counterparty's relevant hedging abilities**[**.**][**;**][**and/or**]]**

(f) **[***Covered Call Disruption:* any disruption(s) which have a materially adverse effect on the instatement, maintenance and settlement of the Covered Call Transactions**] [**.**][**;**][**and/or**]**

(g) **[***Leverage Disruption*: any disruption(s) which have a materially adverse effect on the settlement of the Leveraged Transactions**]**

(h) **[***Calculation Disruption*: situations where the Issuer acting in good faith is unable to calculate the Asset Entitlement for the Bonds.**]**

2.10 Determination of Disruption Events and Suspension

(a) If the Issuer determines that a Disruption Event has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the immediately following Business Day give notice of the postponement and/or suspension of:

(i) any validated and/or non-validated subscription orders and/or Redemption Orders and any request for the Redemption of Bonds;

(ii) the settlement of any Redemption of Bonds; and/or

(iii) any Mandatory Redemption Settlement Date, Voluntary Redemption Settlement Date and/or delivery of the Underlying Asset(s) or the payment of any amount in connection therewith,

to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying:

(A) the Disruption Event which has occurred or is existing on the relevant day;

(B) whether the suspension and/or postponement relating to such Disruption Event will be in respect of a single day (a "**Suspended Day**") or for as long as the Disruption Event continues (a "**Suspension Period**"); and

(C) which of the dates and/or events set out in Conditions 2.10(a)(i) to 2.10(a)(iii) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions will be postponed and/or suspended on such Suspended Day or during such Suspended Period, as applicable (and, in determining this, the Issuer shall consider whether the relevant Disruption Event would disrupt the actions required to be performed by it, the Determination Agent, any Authorised Participant and/or any other Programme Party in connection with Redemption of Bonds, and/or any Mandatory Redemption of the Bonds),

such notice, a "**Suspension Notice**". If the Suspension Notice is in respect of a Suspension Period, such period will end when the Issuer notifies the Determination Agent, the Authorised Participants and the Security Trustee that such suspension and/or postponement is over.

In addition, if the Issuer determines that a Secured Accounts Disruption and/or Service Provider Disruption – Assets has occurred or exists with respect to Bonds on any day, it may (but shall not be obliged to) by the Business Day immediately following a definitive determination give notice of a Permanent Adjustment to the Determination Agent, the Authorised Participants, the Security Trustee, and the relevant Depositary, specifying the amount of that Permanent Adjustment.

(b) The Issuer is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to Bonds on any day unless a Suspension Notice has been given in respect of a Suspension Period in which case the Issuer's obligation to monitor the relevant Disruption Event will continue until it has determined that such Disruption Event has ceased (following which it will give notification at the end of the Suspension Period in accordance with Condition 2.10(a) (*Determination of Disruption Events and Suspension*) of these Issue Specific Terms and Conditions). The Issuer shall have no liability to the Security

Trustee, any Depositary, any Bondholder, any Authorised Participant or any other person for any determination or non-determination that it makes in good faith in respect of the occurrence or existence of a Disruption Event.

(c) The Issuer shall, as soon as reasonably practicable after receipt by it of a Suspension Notice give notice thereof to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

2.11 Postponement relating to the Redemption of the Bonds

(a) If, in respect of a Disruption Event, the Issuer has specified in the related Suspension Notice that the Mandatory Redemption Settlement Date, Final Redemption Date and/or Voluntary Redemption Settlement Date (a "**Disruption Postponable Date**") shall be postponed until following the end of the Suspended Day or Suspension Period, then if any Disruption Postponable Date does occur on the Suspended Day or during the Suspension Period, such Disruption Postponable Date shall be deemed to have been postponed until the first following Business Day, which is not a Disrupted Day or a day which falls within a Suspension Period, provided that if no such day has occurred on or prior to the 30th Business Day following such Disruption Postponable Date, the Issuer, acting in good faith and in consultation with the Determination Agent, may determine an appropriate method for Redeeming the Bonds and determining the Final Redemption Date and/or Voluntary Redemption Settlement Date, as applicable, for the purposes of such redemption of such Bonds (a "**Disrupted Redemption Method**"). For the avoidance of doubt, (i) if multiple days are specified as Disruption Postponable Dates, such Disruption Postponable Dates shall be deemed to have been postponed consistently to ensure that the same number of days passes between these multiple days as would pass if no Disruption Event had occurred, and (ii) if any Disruption Postponable Date is postponed in accordance with these Issue Specific Terms and Conditions, then any other dates or periods determined by reference to such Disruption Postponable Date that have yet to occur or conclude as at the time of such postponement shall also be postponed or adjusted accordingly.

(b) The Issuer shall, as soon as reasonably practicable following determination of any Disrupted Redemption Method, notify each Programme Party and the Bondholders of the details of such Disrupted Redemption Method in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions.

(c) No additional amount shall be payable or deliverable to any Authorised Participant or any Non-AP Bondholder in connection with any postponement to the timing, or any amendment to the method, in each case in accordance with Condition 2.11(a) (*Postponement relating to the Redemption of the Bonds*) of these Issue Specific Terms and Conditions, of Mandatory Redemption or Voluntary Redemption of the Bonds.

2.12 Timings for Redemption of the Bonds

A Redemption Form that is lodged by the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as lodged on that Business Day. A Redemption Form that is lodged after the Notice Deadline set out in the relevant Final Terms on a Business Day will be treated as having been lodged on the following Business Day.

3. MANDATORY REDEMPTION BY THE ISSUER

In relation to all Mandatory Redemptions to be effected in accordance with the General Terms and Conditions and these Issue Specific Terms and Conditions, the Issuer shall, on:

(a) the Mandatory Cash Redemption Sale Date (in the case of Redemption pursuant to Condition 7.1 (*Mandatory Redemption on Termination – Issuer Call Redemption Event*) of the General Terms and Conditions); and

(b) the Mandatory Redemption Notice Date (in the case of Redemption pursuant to Condition 7.2 (*Mandatory Redemption Events*) of the General Terms and Conditions, Condition 7.3 (*Mandatory Redemptions*) of the General Terms and Conditions),

take all necessary steps to give effect to the Mandatory Redemptions as required by this Condition 3, including but not limited to, the Necessary Redemption Actions and instructing the Execution Agent to sell the Underlying Asset(s) attributable to or forming part of the Security in respect of the Bonds subject to such Mandatory Redemption in accordance with the Index Execution Procedure as detailed in Condition 6 (*INDEX EXECUTION PROCEDURE)* of these Issue Specific Terms and Conditions.

The Issuer will transfer the Redemption Amount to the relevant Bondholder on the Mandatory Redemption Settlement Date by transfer to the Bondholder's bank account subject to the Acceptable Delivery of Bonds to the Issuer by either depositing them into an appropriate Clearing System account (as directed by the Issuer) and giving correct delivery free of payment instructions in a Clearing System or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Bonds to the Issuer by agreement with the Issuer) provided that (if applicable) the Bondholder has made Acceptable Delivery of Bonds.

The obligations of the Issuer in respect of Bonds being Redeemed shall be satisfied by transferring the Redemption Amount in accordance with the provisions of this Condition 3.

4. REDEMPTION DEDUCTIONS

4.1 On a Voluntary Redemption of Bonds, the aggregate amount of the Redemption Deductions (which shall be calculated in respect of each Underlying Asset comprising the Index Entitlement in respect of a Bond) shall be notified to the Bondholder at the time that the Redemption Amount is paid to the Bondholder.

4.2 On a Mandatory Redemption of Bonds by the Issuer, the Issuer shall notify the Bondholders whose Bonds are subject to Mandatory Redemption of the aggregate amount of the Redemption Deductions, and their allocation to particular Bondholders pursuant to Condition 19 (*NOTICES*) of the General Terms and Conditions.

5. BUSINESS ACTIVITIES

[For the avoidance of doubt, and notwithstanding anything in Condition 15 (*COVENANTS*) of the General Terms and Conditions, the Issuer may use the Deposited Underlying Assets in activities related to:

(a) **[[●]**, which may result in partial or total loss of the Deposited Underlying Assets due to a **[●]**, in which case the Index Entitlement might be reduced (even to zero) following the respective application of the Capital Adjustmet Factor and the Bondholders might suffer a total or partial loss.**]**

(b) **[●].]**

[Not applicable.**]**

6. INDEX EXECUTION PROCEDURE

6.1 If the Issuer is required, pursuant to these Issue Specific Terms and Conditions, to conduct a Index Execution Procedure, the Execution Agent shall upon instructions from the Issuer sell in accordance with the Execution Agency Agreement the Underlying Assets attributable to or forming part of the Security in respect of the Bonds subject to Cash Redemption in an amount equal to the Index Entitlement as of the Voluntary Redemption Date or Mandatory Redemption Date (as applicable) (the "**Index Execution Procedure**").

6.2 *Totally Failed Execution and special provisions for Mandatory Redemption*

The Index Execution Procedure required by any Condition other than Mandatory Redemption process shall be deemed to be unsuccessful if the Execution Agent fails to sell any units of the Underlying Asset

it has been instructed to sell by the Issuer, for whatever reason (including, without limitation, as a result of disruption to the availability of the Reference Price) (a "**Totally Failed Execution**").

If the Index Execution Procedure required as part of the Mandatory Redemption process is unsuccessful (in full or in part), the Issuer shall sell the required amount(s) of Underlying Assets using any reasonable efforts to achieve best possible price for the Bondholders (including, without limitation, repeated use of the Index Execution Procedure or other methods at the Issuer's discretion) within a reasonable period of time. Upon completion, proceeds of such sale(s) shall be considered the proceeds of the initially required Index Execution Procedure.

6.3 Without prejudice to other provisions of this Condition 6, in case of a Totally Failed Execution, the Issuer shall return all Bonds previously delivered to the Issuer in relation to which the Cash Redemption was exercised, to the Bondholder within a reasonable period. The Issuer may choose to charge any Exercise Fee to the respective Bondholder in case of a Totally Failed Execution. In this case, the Issuer shall forfeit such number of Bonds for its own benefit to become Issuer-Owned Bonds from the Bonds to be returned to the Bondholder, to the extent that Index Entitlement, as of the Voluntary Redemption Date, multiplied by the number of Bonds forfeited does not exceed the Exercise Fee.

6.4 *Partially Failed Execution*

Without prejudice to other provisions of this same paragraph, in the event that Cash Redemption not associated with a Mandatory Redemption was exercised in relation to the Bonds and it is not possible for the Execution Agent to fully execute the Index Execution Procedure for one, or more (but not all) of the Underlying Assets constituting the Index Entitlement (as a result of a Disruption Event or otherwise) (the "**Affected Underlying Assets**") (a "**Partially Failed Execution**"), the Issuer shall, in its sole and absolute discretion:

(a) transfer the cash proceeds generated from the successful element of the Index Execution Procedure to the redeeming Bondholder; and

(b) retain, and hold on trust for the benefit of the Bondholder, the Affected Underlying Assets until the redeeming Bondholder provides instructions for the Issuer to transfer the Affected Underlying Assets in the form of a Physical Redemption (if permissible) or until such time as the Execution Agent can sell it and transfer the proceeds in the form of a Cash Redemption.

Issue Specific Annex [A][●] – Index Entitlement

"**Basket**" means a basket comprised of the Index Components on any given day;

For the avoidance of doubt: Any reference to a "unit of the Basket" or "units of the Basket" in this Terms and Conditions also refers to the units of the components comprising the Basket;

"**Index Entitlement**" means, as of any Business Day, the Bondholder's claim against the Issuer in respect of each Bond, expressed as the sum of all Single Component Entitlements, which will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$\mathbf{CE_{(t)}} = \Sigma_{i}^{n} \boldsymbol{SCE_{(t)}^{i}}$$

"**Rebalance Day**" means any day on which a the Index rebalances in accordance with the Index Methodology or following the occurrence of a Rebalancing Index Disruption Event. If for any reason, the Issuer is unable to rebalance the Index Components on a set Rebalance Day, it will perform the Rebalancing of the Index Components on the next possible Business Day it is able to;

"**Rebalancing**" means the adjustment to the Single Component Entitlement reflecting the rebalancing of the Indexin accordance with the Index Methodology and the provisions contained in the below definition of "**Single Component Entitlement**";

"**Single Component Entitlement**" or "**SCE**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Index Component comprising the Basket per Bond;

On the Issue Date, the Single Component Entitlement corresponds to the Initial Single Component Entitlement (as defined below);

On any day after the Issue Date, the Single Component Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is <u>not</u> a Rebalance Day:

$$SCE_{(t)}^{i} = SCE_{(t-1)}^{i} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^{i} = \widetilde{SCE}_{(t)}^{i} * \left(1.0 - \frac{DER}{365}\right) - \left(RCR * RTV_{(t)}^{i}\right) + CAF_{(t-x)}$$

$$\widetilde{SCE}_{(t)}^{i} = \frac{W_{(t)}^{i} * MTM_{(t)}}{P_{(t)}^{i}}$$

$$MTM_{(t)} = \sum_{i \in B_{(t-1)}} SCE_{(t-1)}^{i} * P_{(t)}^{i}$$

$$RTV_{(t)}^{i} = Max\left(0, \widetilde{SCE}_{(t)}^{i} - SCE_{(t-1)}^{i}\right)$$

Where:

"$\boldsymbol{SCE_{(t)}^{i}}$" means the Single Component Entitlement in respect of the particular Index Component comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**CAF$_{(t-x)}$**" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date;

"$\boldsymbol{SCE^{i}_{(t-1)}}$" means the Single Component Entitlement in respect of the particular Index Component comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

"$\boldsymbol{\widetilde{SCE}^{i}_{(t)}}$" means the means the Single Component Entitlement gross of rebalance cost and management fee i in respect of the particular Index Component comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"$\boldsymbol{SCE^{i}_{(0)}}$" or "**Initial Single Component Entitlement**" means the initial Single Component Entitlement on the Issue Date. As of the Issue Date, the respective Single Component Entitlements shall be:

[Insert table with SCE]

"**RCR**" means the effective rebalance cost rate; The RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket. As of the Issue Date, RCR is not more than **[●][**1.00**]** percent; The RCR rate applicable to any future (but not past) period of time may be changed by the Issuer at any time (taking into consideration the interests of the Bondholders and the relevant capital market practice) and the Issuer shall notify the Bondholders thereof in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, *provided however* that notwithstanding the foregoing the Issuer may lower RCR rate applicable to past periods of time and adjust Single Component Entitlement and Index Entitlement upwards accordingly by giving the Bondholders notice in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions;

"$\boldsymbol{RTV^{i}_{(t)}}$" means the positive variation between the Single Component Entitlement (for the relevant Index Component denoted "i") on day "t" and the Single Component Entitlement on the previous calendar day; If the Basket has not comprised the relevant Index Component on the previous calendar day, the respective Single Component Entitlement on the previous calendar day is zero; If the variation between the Single Component Entitlement on day "t" and Single Component Entitlement on the previous calendar day is negative, $\boldsymbol{RTV^{i}_{(t)}}$ is zero;

"$\boldsymbol{MTM}$" means the mark-to-market value of the total Index Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

"$\boldsymbol{P_{(t)}}$" means the reference price calculated in respect of the particular Index Component comprising the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $\boldsymbol{P^{i}_{(t)}}$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components; **[**and**]**

"$\boldsymbol{W^{i}_{(t)}}$" means the weighting in respect of the particular Index Component comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date, provided by the Index Sponsor. The Issuer reserves the right, within its reasonable discretion, to adjust said weightings by distributing weights, attributed to any Unsupported Underlying Asset comprised in the Index, among Underlying Assets comprised in the Index (denoted "i"), such that the total sum of the weightings is equal to 100.00 percent.

Issue Specific Annex [B][●] – Adjustments and Special Situations

1. DEFINITIONS

For the purposes of this Issue Specific Annex, terms defined in the Terms and Conditions have the meanings given to them in the Terms and Conditions unless otherwise defined in this Issue Specific Annex. The following terms have the meanings given to them below:

"**Adjustment Event**" means any of the following events or circumstances occur in relation to the Underlying:

a) an Index Disruption Event (other than a Rebalancing Index Disruption Event); and
b) a change in the legal and regulatory status of the Index;

["**Collateral Shortfall Event**" means the situation where, contrary to the covenant set out in Condition 15.3 (*Deposited Underlying Assets*) of the General Terms and Conditions, the amount of Underlying Assets held by the Issuer in the Secured Custody Account permanently falls below the Secured Obligations Amounts due to the execution of any of the Eligible Rebalance Procedures;**]**

["**Eligible Rebalance Procedures**" means, for any combination of the following:

(a) instructions given to the Execution Agent to buy and sell the required amount of Index Components out of the Deposited Underlying Assets to perform the Rebalancing; and

(b) any settlement of the Index Components in respect of any instruction covered by (a) above;**]**

"**Index Cancellation**" means in respect of an Index, the Index Sponsor in respect of that Index permanently cancels such Index;

"**Index Disruption Event**" means an Index Cancellation, Index Suspension and/or Index Modification;

"**Index Modification**" means in respect of an Index that the Index Sponsor announces that it shall make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in the Index Components and capitalisation and other routine events);

"**Index Suspension**" means in respect of an Index on any Business Day, the Index Sponsor fails to calculate or announce such Index, however the Index Cancellation has not yet happened;

"**Rebalancing Index Disruption Event**" means the occurrence of an Index Disruption Event that the Issuer, acting in good faith and in a commercially reasonable manner, determines necessitates an adjustment to the respective Single Component Entitlement in accordance with the provisions of Issue Specific Annex **[**A**][●]** above.

2. SUSPENSION OF REDEMPTION AND ADJUSTMENTS

2.1 *Suspension of Redemption*

If the Issuer, in its sole and absolute discretion, determines that due to a Disruption Event(s), it would adversely affect the interests of the Issuer or the Bondholders to continue to permit Redemptions, the Issuer may at any time and from time to time while such Disruption Event(s) are continuing suspend the right to, or timings of any Redemption (including Voluntary Redemption(s) and Mandatory Redemption(s)), including the ones which are already pending.

2.2 Subject to provisions of Condition 2 of this Issue Specific Annex, the Issuer may in its sole and absolute discretion terminate such suspension at any time.

2.3 The following provisions shall apply where Redemptions have been suspended:

(i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Transaction Partners, and to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, as soon as practicable, but the failure to give any such notice shall not prevent the exercise of its powers to institute suspensions and terminations of such suspensions; and

(ii) any such suspension may continue for a period of up to 60 (sixty) calendar days, after the expiration of which the Issuer shall either: (i) remove any applicable restrictions on the Redemption of the Bonds; or (ii) trigger the Mandatory Redemption process (or, in case suspension was declared during the Mandatory Redemption process, take all commercially reasonable steps to finalize such Mandatory Redemption without further suspensions).

2.4 The Issuer shall have no liability to the Authorised Participants, the Security Trustee, any of the Transaction Partner(s), the Bondholders or any other person for any determination or non-determination that it makes in respect of the occurrence, existence or continuation of a Disruption Event.

2.5 If an Adjustment Event has occurred, the Issuer shall, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the Index Entitlement to account for the economic effect on the Bonds of the relevant Adjustment Event, in particular and without limitation: to the greatest degree commercially practicable assign to the Bondholders the economic benefit or loss of any Adjustment Event as if the Bondholders held the Underlying Assets comprising the Index Entitlement in respect of each Bond directly in their name.

2.6 If the Issuer determines that it is appropriate to make such adjustments, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner (which may, for the avoidance of doubt, include partial redemption of the Bonds against the payment of cash) the nature and effective date of such adjustment(s), and notify the Transaction Partners and, in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, the Bondholders of the occurrence of such Adjustment Event and the details of such adjustments to the Index Entitlement as soon as reasonably practicable upon making such determinations.

2.7 With effect from the effective date of any such adjustment (which for the avoidance of doubt may be in the past), the Issuer, the Bondholders and the Transaction Partners shall take into account the relevant adjustment(s) so notified to them when making any determination and/or calculation they are required to make under the Terms and Conditions.

2.8 In making decisions regarding necessary adjustments pursuant to Condition 2.5 of this Issue Specific Annex, the Issuer shall not make adjustments which result in any extraordinary revenue to itself at the expense of the Bondholders. In the previous sentence 'extraordinary revenue' shall mean any revenue which would not be reasonably expected to be received by the Issuer in the absence of the Adjustment Event.

2.9 **[**In case a Collateral Shortfall Event occurs: (i) Index Entitlement per Bond shall be the amount of the Deposited Underlying Assets divided by the number of Outstanding Bonds on the date of the notification of the Collateral Shortfall Event to the Bondholders in accordance with Condition 19 (*NOTICES*) of the General Terms and Conditions, whereby such Index Entitlement shall affect all unfinalized Redemption transactions even if they were initiated prior to such change; and (ii) the Index Entitlement shall evolve thereafter in accordance with the formulas set out in Issue Specific Annex **[**A**][●]** above disregarding any effect of the formulas on the Index Entitlement value prior to the relevant Collateral Shortfall Event.**]**

2.10 **[**Any determination, non-determination, suspension, adjustment or termination of any suspension shall only be made by the Issuer with the explicit written approval of the Determination Agent**]**

2.11 Notwithstanding Condition 15.3 (*Deposited Underlying Assets*) of the General Terms and Conditions, the Issuer may hold less Underlying Assets in the Secured Custody Account than the Secured Obligations Amount provided that such shortfall is:

(a) temporary and reasonably required to execute one or more Rebalancing (including without limitation withdrawals of amounts to be sold from the Depositary to be transferred to the Execution Agent); or

(b) continuing only until such time as Index Entitlement is adjusted accordingly due to the Collateral Shortfall Event, and is a result of a Collateral Shortfall Event which is occurring as a result of any Eligible Rebalance Procedures.

20. FORM OF FINAL TERMS

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that for the Offer Jurisdictions: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].][4]

[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that for the Offer Jurisdictions: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); EITHER[5] [and (ii) all channels for distribution of the Bonds are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR[6] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Bonds to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable][7].][8]

[PROHIBITION OF OFFER TO PRIVATE CLIENTS IN SWITZERLAND – [The Bonds are not intended to be offered to private clients within the meaning of the Swiss Federal Financial Services Act (FinSA) in Switzerland. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA.][9]]

[The Bonds do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to the supervision by the Swiss

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4 Include legend in case MiFID II target market assessment in respect of the Bonds is "Professional Investors and Eligible Counterparties only."

5 Include for Bonds that are not ESMA complex pursuant to the Guidelines on complex debt instruments and structured deposits (ESMA/2015/1787) (the "**ESMA Guidelines**").

6 Include for Bonds that are ESMA complex pursuant to the ESMA Guidelines. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability and appropriateness will be necessary. In addition, if the Bonds constitute "complex" products, pure execution services to retail clients are not permitted without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

7 If there are advised sales, a determination of suitability will be necessary.

8 Include legend in case MiFID II target market assessment in respect of the Bonds is "Retail Investor Target Market."

9 Legend to be included if the Bonds potentially constitute debt instruments with a "derivative character" for the purpose of FinSA and are offered in Switzerland and no key information document or equivalent document under FinSA will be prepared or the Issuer wishes to prohibit offers to private clients in Switzerland for any other reason, in which case, the "Prohibition of Offer to Private Clients in Switzerland" selling restriction should be specified to be "Applicable" in the Final Terms.

Financial Market Supervisory Authority FINMA, and investors will not benefit from the specific investor protection under the CISA.][10]

[*Relevant Index disclaimers to be included, as required*]

10 Include if Bonds are offered in Switzerland.

Final Terms

[Title of relevant Series of Bonds**]**
issued pursuant to the

Programme for the issuance of Bonds linked to and secured by Multiple Assets

dated 20 May 2026

of

Bitwise Europe GmbH

Issue Price:
[Cryptocurrency Entitlement per Bond plus a subscription fee of **[**up to**] [●]** percent of the Cryptocurrency Entitlement per Bond **]**

Issue Date: **[ ]**
Trade Date: **[ ]**

Series No.: **[ ]**
Tranche: **[ ]**

These final terms dated **[●]** (the "**Final Terms**") have been prepared for the purpose of Article 8(4) of Regulation (EU) 2017/1129. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of the Final Terms when read together with the Base Prospectus of Bitwise Europe GmbH dated 20 May 2026, including any supplements thereto (the "**Base Prospectus**"). The Base Prospectus **[**and the supplement dated **[**insert date**] [**, the supplement dated **[**insert date**]] [**and the supplement dated **[**insert date**]]] [**has**][**have**]** been or will be, as the case may be, published on the website of the Issuer (https://bitwiseinvestments.eu/). In case of an issue of Bonds which are listed on the regulated market of a stock exchange, the Final Terms relating to such Bonds will also be published on the website of the Issuer (https://bitwiseinvestments.eu/). **[**A summary of the individual issue of the Bonds is annexed to these Final Terms.**]**[11]

[These Final Terms will be deposited with SIX Exchange Regulation Ltd. as review body (*Prüfstelle*) in Switzerland and published according to Article 64 **[**of the Swiss Federal Financial Services Act ("**FinSA**")**][**FinSA**]** for the purposes of an offer of the Bonds to the public in Switzerland on the basis of the combination of these Final Terms and the Base Prospectus **[**as so supplemented**]** which has been included as a foreign prospectus that is deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd., deposited with this review body and published according to Article 64 FinSA.**]**[12]

Terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions of the Bonds as set out in the Base Prospectus (the "**Terms and Conditions**").

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[11] Not to be included for Bonds which are issued with a denomination of at least EUR 100,000 or the equivalent amount in another currency unless a summary section shall be included on a voluntary basis.

[12] Include where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.

[*In case of Continuously Offered Bonds:* The Base Prospectus under which the Bonds specified in these Final Terms are issued loses its validity at the end of 20 May 2027 or the publication of a new base prospectus in relation to the Programme for the issuance of Bonds linked to and secured by Multiple Assets of Bitwise Europe GmbH immediately succeeding the Base Prospectus (the "**New Base Prospectus**"), depending on which event occurs earlier (the "**Expiry Date of the Base Prospectus**"). Notwithstanding the above, the Bonds specified in these Final Terms (the "**Continuously Offered Bonds**") shall continue to be subject to the terms and conditions of the Base Prospectus. From the Expiry Date of the Base Prospectus, these Final Terms must be read in conjunction with the New Base Prospectus. The New Base Prospectus will be available (no later than the Expiry Date of the Base Prospectus) on https://bitwiseinvestments.eu/.**]**

PART I.: TERMS AND CONDITIONS

General Terms and Conditions

[*Insert General Terms and Conditions*]

Issue Specific Terms and Conditions

[*Select (1) which of the Issue Specific Options I through IV of the Issue Specific Terms and Conditions of the Bonds (whereby multiple Options can be applied in case of a basket of Underlying Assets) and (2) which Issue Specific Annex I through III shall apply to the relevant issue of Bonds by inserting the respective Issue Specific Option(s) and the relevant Issue Specific Annex(es)*]

PART II.

1.	Net proceeds:		**[**The Bonds are initially purchased from the Issuer in the primary market with **[*insert relevant Underlying Asset*] [*insert relevant components comprising the Index*]**. **[*insert relevant Underlying Asset*] [*insert relevant components comprising the Index*]** received by the Issuer through the subscription of the Bonds will be transferred to the Secured Custody Account and secured by a security agreement for the benefit of the Bondholders, the Security Trustee and a bondholders' representative (if appointed). Based on the assumption that a total of **[●]** units of Bonds are sold and based on the **[*insert relevant Underlying Asset*]** value of **[●][*insert values for each component comprising the Index*]** ([in each case] as of **[*insert Issue Date*][●]**), the net proceeds for each **[●]** units of Bonds are **[●].] [●]**
2.	**[**Subscription Restrictions:		**[●]]**
3.	(i)	Listing and Trading:	**[**None**] [**No application will be made for the Bonds to be admitted to trading on the regulated market of any stock exchange.**] [**Application may be made**][**has been made**]** for admission to trading of the Bonds as of **[**the Issue Date**] [●]** on **[**the regulated market of the Frankfurt Stock Exchange**] [**the regulated market of the Warsaw Stock Exchange**] [**SIX Swiss Exchange**] [*insert (further stock) exchanges in the European Economic Area*] [*insert (further) Swiss trading venue in the sense of the FMIA*] [●]**
	(ii)	Estimate of the total expenses related to the admission of trading:	**[**Not applicable**] [●]**
	(iii)	Estimate of the total expenses of the issue/offer:	**[●]**
4.	Interest of natural and legal persons involved in the issue/offer:		**[**None**] [*give details of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest*]**
5.	Reasons for the offer and use of proceeds		**[●]**
6.	Post-Issuance Information:		**[**The Issuer does not intend to provide post-issuance information unless required by any applicable laws and/or regulations.**][*specify*]**
7.	Non-exempt Offer:		**[**Not applicable**] [●]**
8.	Offer Jurisdictions:		**[**Not applicable**]** **[**Germany**][**Austria**][**Croatia**[]**Cyprus**][**Czechia**][**Denmark**][**Estonia**][**Finland**][**France**][**Greece**][**Ireland**]** **[**Italy**][**Luxembourg**][**Malta**][**The

			Netherlands**]**[Norway]**[**Poland**]**[Portugal]**[**Romania**]** **[**Slovakia**]**[Slovenia**]**[Spain]**[**Sweden**]**
9.	Swiss Non-exempt Offer:		**[**Not applicable**]** **[**Applicable**]**[13]
	[Withdrawal right according to Article 63(5) of the Swiss Federal Financial Services Ordinance (FinSO):		**[**If an obligation to prepare a supplement to the Base Prospectus according to Article 56(5) FinSA is triggered during the Offer Period (see 7. above), investors who have already subscribed or agreed to purchase or subscribe for Bonds before any such supplement to the Base Prospectus is published have the right to withdraw their subscriptions and acceptances within a period of three working days from the publication of such supplement regardless of whether the Offer Period (see 7. above) closes prior to the expiry of such three working day period.**]**
			[Not Applicable**]]**
10.	Prohibition of Offer to Private Clients in Switzerland:		**[**Not applicable**]** **[**Applicable**]**
11.	**[**Consent to the use of the Base Prospectus:		
	The Issuer consents to the use of the Base Prospectus by the following financial intermediar**[**y**]****[**ies**]** (individual consent):		**[**Not applicable**]** **[●]**
	Individual consent for the subsequent resale or final placement of the Bonds by the financial intermediar**[**y**]****[**ies**]** is given in relation to:		**[**Not applicable**]** **[**Austria**]** **[**and**]****[,]** **[**Croatia**]** **[**and**]****[,]** **[**Cyprus**]** **[**and**]****[,]** **[**Czechia**]** **[**and**]****[,]** **[**Denmark**]** **[**and**]****[,]** **[**Estonia**]** **[**and**]****[,]** **[**Finland**]** **[**and**]****[,]** **[**France**]** **[**and**]****[,]** **[**Germany**]** **[**and**]****[,]** **[**Greece**]** **[**and**]****[,]** **[**Ireland**]** **[**and**]****[,]** **[**Italy**]** **[**and**]****[,]** **[**Luxembourg**]** **[**and**]****[,]** **[**Malta**]** **[**and**]****[,]** **[**Norway**]** **[**and**]****[,]** **[**Poland**]** **[**and**]****[,]** **[**Portugal**]** **[**and**]****[,]** **[**Romania**]** **[**and**]****[,]** **[**Slovakia**]** **[**and**]****[,]** **[**Slovenia**]** **[**and**]****[,]** **[**Spain**]** **[**and**]****[,]** **[**Sweden**]** **[**and**]****[,]** **[**The Netherlands**]** **[**and**]****[,]** **[**Switzerland**]**
	Any other clear and objective conditions attached to the consent which are relevant for the use of the Base Prospectus:		**[**Not applicable**]** **[●]**
	The subsequent resale or final placement of Bonds by financial intermediaries can be made:		**[**Not applicable**]** **[**As long as the Base Prospectus is valid for the offer of the Bonds: **[●]]** **[●]** **[**During the Offer Period (see 7. above)**]]**
12.	(i) Commissions and Fees:		**[**None**]****[*specify*]**
	(ii) Expenses and taxes specifically charged to the subscriber of the Bonds:		**[**None**]****[*specify*]]**
13.	Categories of potential investors:		**[**Retail investors**]** **[**and**]** **[**Professional investors**]**
14.	Information with regard to the manner, place and date of the publication of the results of the offer:		**[*Give details with regard to the manner and date in which results of the offer are to be made public*]**

[13] If not applicable, delete the remaining placeholders of this paragraph 9.

15.	**[**Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment (*Market Makers*):	**[●]** **[*Insert description of the main terms of commitment*]]**
16.	ISIN:	**[●]**
17.	German Securities Code:	**[●]**
18.	An indication where information about the past and the future performance of the Underlying Asset**[**s**]** and **[**its**][**their**]** volatility can be obtained:	**[●]**
19.	**[**Composition of the Basket as of the Issue Date:	**[●]]**
20.	**[**Details of benchmark administrator:	**[●]]**
21.	**[**Details of Index Sponsor:	**[●]]**
22.	**[**Dividends/Distributions:	**[**Applicable**][**Not applicable**]** **[**Up to **[●]** per cent. of net cash amounts received by the Issuer in connection with the payment of cash dividends and/or other distributions relating to the Underlying Asset**[**s**]** will be allocated to and retained by the Issuer.**]**
23.	**[**Staking:	**[**Applicable**][**Not applicable**]** **[*insert description of the Staking activities*]** **[**Up to **[●]** per cent. of net profits or benefits received by the Issuer as a result of holding the Cryptocurrency will be allocated to and retained by the Issuer.**]**
24.	**[**DeFi Activities:	**[**Applicable**][**Not applicable**]** **[*insert description of the DeFi Activities*]** **[**Up to **[●]** per cent. of the positive DeFi Transfer Amounts will be allocated to and retained by the Issuer.**]**
25.	**[**FX Hedging:	**[**Applicable**][**Not applicable**]** **[*insert description of the FX Hedging mechanism*]** **[**Up to **[●]** per cent. of the positive FX Hedging Transfer Amounts will be allocated to and retained by the Issuer.**]**
26.	**[**Covered Call:	**[**Applicable**][**Not applicable**]**

		[*insert description of the Covered Call strategy*] **[**Up to **[●]** per cent. of the positive Covered Call Transfer Amounts will be allocated to and retained by the Issuer.**]**
27.	**[**Leveraged Exposure:	**[**Applicable**][**Not applicable**]** **[**Leverage Factor: **[●]]** **[**Up to **[●]** per cent. of the positive Leveraged Exposure Transfer Amounts will be allocated to and retained by the Issuer.**]**

[ANNEX: ISSUE SPECIFIC SUMMARY]

21. WARNING REGARDING TAXATION

THE TAX LEGISLATIONS OF THE INVESTOR'S HOME MEMBER STATE AND OF THE ISSUER'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE BONDS.

PROSPECTIVE INVESTORS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF BONDS, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

22. SUBSCRIPTION, SALE AND OFFER OF THE BONDS

22.1. OFFER OF THE BONDS

22.1.1. Offer to the public

In the primary market each issue of a Series of Bonds is initially only purchased by Authorised Participants and may subsequently be offered by such Authorised Participants to institutional and retail investors or to institutional investors only, as specified in the relevant Final Terms, in compliance with applicable selling restrictions during the relevant offer period (as specified in the relevant Final Terms). An offer to the public may be made in the countries specified under Condition 6 "*Consent to the Use of the Base Prospectus*".

As further set out in section 22.1.2. "*Conditions and technical details of the offer*" below, to the extent that Authorised Participants directly contact their (existing) clients for a sale of the Bonds, the Authorised Participants will only contact professional investors. This is also set out in the table below in the column "*Description*".

The following Authorised Participants have been appointed as of the date of this Base Prospectus*:

Name (regulatory status)	**Address**	**Description**
XTX Markets SAS	3-5 Rue St Georges Paris 75009 France	XTX Markets SAS will not face investors but will only subscribe for and redeem the Bonds for their own purposes.
Flow Traders B.V. (Headquarters) (AFM regulated)	Jacob Bontiusplaats 9 Amsterdam 1018 LL The Netherlands	Flow Traders B.V. will register with Deutsche Börse to perform the role of designated sponsor. Flow Traders B.V. will face professional investors to subscribe for and redeem the Bonds.
Jane Street Financial Limited (FCA regulated)	2 & A Half Devonshire Square London EC2M 4UJ United Kingdom	Jane Street Financial Limited will face professional investors to subscribe for and redeem the Bonds.
Goldenberg Hehmeyer LLP	5th Floor 5 Greenwich View Place London E14 9NN United Kingdom	Goldenberg Hehmeyer LLP will face professional investors to subscribe for and redeem the Bonds.
DRW Europe B.V.	Gustav Mahlerlaan 1212 Unit 3.30 1081 LA Amsterdam The Netherlands	DRW Europe B.V. will face professional investors to subscribe for and redeem the Bonds.
Susquehanna International Securities Limited	International House Memorial Road IFSC, Dublin 1 Ireland	Susquehanna International Securities Limited will face professional investors to subscribe for and redeem the Bonds.
Virtu Financial Ireland Limited	Whitaker Court Whitaker Square Sir John Rogerson's	Virtu Financial Ireland Limited will face professional investors to subscribe for and redeem the Bonds.

	Quay Dublin 2 Ireland	

*Any changes to the list of Authorised Participants will be detailed at **https://bitwiseinvestments.eu/**

22.1.2. Conditions and technical details of the offer

Any offer of Bonds is not subject to any conditions or time limits other than the time limits resulting from the validity of the Base Prospectus und the relevant offer period as specified above under "*Offer to the Public*". There is no possibility to reduce subscriptions. No minimum or maximum subscription amounts will be specified.

In the primary market, the Issuer will sell Bonds only to Authorised Participants. Any such subscription and subsequent delivery of the Bonds is subject to the following conditions:

Bonds may be purchased with units of the relevant Underlying Assets (as set out in the relevant Final Terms) and, if applicable for the relevant Series of Bonds, against payment in cash, as well as against transfer of assets other than the Underlying Assets (in each case as set out in the relevant Final Terms).

Any investors who are not Authorised Participants can purchase the Bonds in the secondary market either from an Authorised Participant on an anonymous basis (i) via a stock exchange (in case of Bonds admitted to trading on a stock exchange) through their broker or (ii) from any person over the counter. Bonds can be purchased either with units of the relevant Cryptocurrency (as set out in the relevant Final Terms) or with USD, EUR or any other fiat currency or assets accepted by the respective counterparty or trading venue.

In addition, Authorised Participants may also directly contact their (existing) clients for a sale of the Bonds. Where Bonds are purchased from an Authorised Participant, such Bonds can be purchased with units of the Underlying Assets (as set out in the relevant Final Terms) or with EUR or any other fiat currency or assets as will be determined by each Authorised Participant selling the Bonds in the secondary market.

Bonds issued under this Base Prospectus will be delivered via book-entry through the Clearing System and its account holding banks.

22.1.3. Charges and costs relating to the offer

The estimated total expenses of the issue and/or offer of each Series of Bonds will be specified in the relevant Final Terms of each issue of Bonds.

The Issuer may charge a subscription fee up to a certain percentage of the Asset Entitlement (as specified in the relevant Final Terms) from the Authorised Participants. Authorised Participants may charge additional fees to investors who are purchasing Bonds from them. These fees may vary and the Issuer has no influence on whether and to what extent the Authorised Participant is charging fees.

22.1.4. Method of determination of the Issue Price

Each issue of a Series of Bonds will be issued at an issue price as stated in the relevant Final Terms. The issue price for Authorised Participants will be equal to the Asset Entitlement plus a subscription fee (as specified in the relevant Final Terms).

1. For Series of **Bonds linked to a single Underlying Asset issued pursuant to Issue Specific Option I - III** of the Terms and Conditions, the Asset Entitlement will be determined pursuant to the following formula:

$$AE_{(t)} = AE_{(t-1)} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

Where:

"**$AE_{(t)}$**" means the Asset Entitlement on day "t" days after the Issue Date;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**$AE_{(t-1)}$**" means the Asset Entitlement on the previous day before day "t" days after the Issue Date;

"**$AE_{(0)}$**" or "**Initial Asset Entitlement**" means the Asset Entitlement on the Issue Date;

"**CAF**" means the Capital Adjustment Factor, which is an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, in each case as further specified in the respective Final Terms;

"**$CAF_{(t-x)}$**" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date; and

"**DER**" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Asset Entitlement decays over time.

2. For Series of Bonds linked to an **Index pursuant to Issue Specific Option IV** of the Terms and Conditions, the Asset Entitlement will be determined pursuant to the following formula:

"**Asset Entitlement**" means the sum of individual "**Single Components Entitlements**" in respect of each particular Underlying Asset comprising the Basket per Bond which will be calculated by the Issuer in its sole discretion in accordance with the following formula:

$$\mathbf{AE_{(t)}} = \Sigma_{i}^{n} \boldsymbol{SCE}_{(t)}^{i}.$$

Whereby:

"**$AE_{(t)}$**" means the Asset Entitlement on day "t" days after the Issue Date;

"**Single Component Entitlement**" or "**SCE**" means, as of any Business Day, part of the total Bondholder's claim against the Issuer in respect of each Bond, expressed as the number of the units of the particular Index Component comprising the Basket per Bond;

On the Issue Date, the Single Component Entitlement corresponds to the Initial Single Component Entitlement (as defined below);

On any day after the Issue Date, the Single Component Entitlement will be calculated by the Issuer in its sole discretion in accordance with the following formula:

If the relevant day ("t" days after the Issue Date) is <u>not</u> a Rebalance Day:

$$SCE_{(t)}^{i} = SCE_{(t-1)}^{i} * \left(1.0 - \frac{DER}{365}\right) + CAF_{(t-x)}$$

If the relevant day ("t" days after the Issue Date) is a Rebalance Day:

$$SCE_{(t)}^{i} = \widetilde{SCE}_{(t)}^{i} * \left(1.0 - \frac{DER}{365}\right) - \left(RCR * RTV_{(t)}^{i}\right) + CAF_{(t-x)}$$

$$\widetilde{SCE}_{(t)}^{i} = \frac{W_{(t)}^{i} * MTM_{(t)}}{P_{(t)}^{i}}$$

$$MTM_{(t)} = \sum_{i \in B_{(t-1)}} SCE^{i}_{(t-1)} * P^{i}_{(t)}$$

$$RTV^{i}_{(t)} = Max\left(0, \widetilde{SCE}^{i}_{(t)} - SCE^{i}_{(t-1)}\right)$$

Where:

"$\boldsymbol{SCE^{i}_{(t)}}$" means the Single Component Entitlement in respect of the particular Index Component comprised in the Basket (denoted "i") on day "t" days after the Issue Date ;

"**t**" means the number of calendar days elapsed since the Issue Date;

"**CAF**" means the Capital Adjustment Factor, which is an amount determined by the Issuer that represents fees, expenses, distributions or deductions that may arise or be levied by various counterparties, service providers or market participants in respect of the Bonds on any day, in each case as further specified in the respective Final Terms;

"$\mathbf{CAF_{(t-x)}}$" means the Capital Adjustment Factor on the day "x" days before day "t" days after the Issue Date;

"$\boldsymbol{SCE^{i}_{(t-1)}}$" means the Single Component Entitlement in respect of the particular Index Component comprised in the Basket (denoted "i") on the previous day before day "t" days after the Issue Date;

"$\boldsymbol{\widetilde{SCE}^{i}_{(t)}}$" means the means the Single Component Entitlement gross of rebalance cost and management fee i in respect of the particular Index Component comprised in the Basket (denoted "i") on day "t" days after the Issue Date;

"$\boldsymbol{SCE^{i}_{(0)}}$" means the initial Single Component Entitlement on the Issue Date;

"$\boldsymbol{DER}$" means the Diminishing Entitlement Rate. The Diminishing Entitlement Rate represents the management fee expressed as the rate at which the Single Component Entitlement decays over time;

"**RCR**" means the effective rebalance cost rate; The RCR represents a fee charged by the Issuer to affect the rebalancing of the Basket;

"$\boldsymbol{RTV^{i}_{(t)}}$" means the positive variation between the Single Component Entitlement (for the relevant Index Component denoted "i") on day "t" and the Single Component Entitlement on the previous calendar day; If the Basket has not comprised the relevant Index Component on the previous calendar day, the respective Single Component Entitlement on the previous calendar day is zero; If the variation between the Single Component Entitlement on day "t" and Single Component Entitlement on the previous calendar day is negative, $\boldsymbol{RTV^{i}_{(t)}}$ is zero;

"$\boldsymbol{MTM}$" means the mark-to-market value of the total Asset Entitlement (as of the previous day) calculated on the day "t" calendar days after the Issue Date;

"$\boldsymbol{P_{(t)}}$" means the reference price calculated in respect of the particular Index Component comprising the Basket (denoted "i") on the day "t" calendar days after the Issue Date; The same methodology and source for $\boldsymbol{P^{i}_{(t)}}$ calculation shall be used as prescribed by the Index Methodology for the calculation of prices of its components;

"$\boldsymbol{W^{i}_{(t)}}$" means the weighting in respect of the particular Index Component comprised in the Basket (denoted "i") on the day "t" calendar days after the Issue Date.

3. Additionally, if so specified in the respective Final Terms for a Series of Bonds, the Asset Entitlement is subject to adjustments upon the occurrence of a Collateral Shortfall Event (as described below under 13.3.1. "*Security over Secured Custody Account*").

For investors other than Authorised Participants, the purchase price for a Series of Bonds will be determined by each Authorised Participant on an ongoing basis and may be subject to additional subscription fees.

As of the Issue Date (as specified in the relevant Final Terms) of each Series of Bonds, the Asset Entitlement would correspond to the initially determined number units of the relevant Underlying Asset or Units of the Index (as specified in the relevant Final Terms, the "**Initial Asset Entitlement**") per Bond, i.e. Authorised Participants purchasing Bonds from the Issuer would receive one Bond for a number of units of the relevant Underlying Assets or Units of the Index corresponding to the Initial Asset Entitlement. In addition, the Issuer may charge a subscription fee up to a certain percentage of the Asset Entitlement (as specified in the relevant Final Terms) from the Authorised Participant.

Where an investor purchases a Bond from an Authorised Participant with Euro, in case of an exemplary Asset Entitlement of 0.001 per Bond, the Euro equivalent of the Asset Entitlement as of such day, based on a value of the Underlying Asset of Euro 10,000 would be Euro 10.00. However, given that each Authorised Participant may charge a subscription fee from the investor who it is selling the Bonds at its own discretion, the purchase price for a Bond may be higher than Euro 10.00.

For a determination of the issue price see also section 13.2. "*Description of the Bonds*".

22.2. SELLING RESTRICTIONS

22.2.1. General

Any person subsequently offering, selling or recommending the Bonds shall comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes this Base Prospectus or any other offering material relating to the Bonds.

Persons into whose hands this Base Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Base Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

22.2.2. European Economic Area

If the Final Terms in respect of any Series of Bonds include a legend in the context of any prohibition to make an offer of Bonds to retail investors in certain jurisdictions in the European Economic Area, the Bonds are not intended to be offered and shall not be offered to any retail investor in such jurisdiction(s). For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

If the Final Terms in respect of any Bonds do not include a legend in the context of any prohibition to make an offer of Bonds to retail investors in certain jurisdictions in the European Economic Area (each a "**Member State**"), any relevant person has represented that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Bonds to the public in that Member State:

(i) if the final terms in relation to the Bonds specify that an offer of those Bonds may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Bonds which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds referred to in (ii) to (iv) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

22.2.3. United Kingdom - Retail selling restrictions

The Bonds are not intended to be offered and shall not be offered to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is neither:

(i) a professional client as defined in point (8) of Article 2(28) of Regulation EU No. 600/2014 as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; nor

(ii) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admission to Trading Regulations 2024; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to buy or subscribe for the Bonds.

22.2.4. United Kingdom - Other regulatory restrictions

Any person subsequently offering, selling or recommending the Bonds has to ensure that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

22.2.5. United States

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Bonds are being offered and sold only (1) to "accredited investors" (as defined in Rule 501 of Regulation D under the Securities Act) in compliance with Rule 506(c) or Rule 506(b) of Regulation D under the Securities Act; (2) to 'qualified institutional buyers' as defined in Rule 144A under the Securities Act; and (3) in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance upon Regulation S under the Securities Act. Any person acting as a distributor of the Bonds exclusively outside the United States has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered or will offer, sell or deliver any Bonds within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each such distributor has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Bonds offered

in reliance on Regulation S. Terms used in this subparagraph have the meaning given to them by Regulation S.

22.2.6. Switzerland

Any person subsequently offering, selling or recommending the Bonds will be required to confirm, represent and agree that:

(a) it has only made and will only make an offer of the Bonds to the public in Switzerland, other than pursuant to an exemption under Article 36(1) FinSA or where such offer does not qualify as a public offer in Switzerland, if the applicable Final Terms in respect of any Bonds published according to Article 64 FinSA specify "Swiss Non-exempt Offer" as applicable, in the Offer Period specified in the applicable Final Terms, and if consent has been granted to use the Base Prospectus and the applicable Final Terms for a public offer in Switzerland in accordance with Article 36(4) FinSA; or

(b) it has not offered and will not offer, directly or indirectly, Bonds to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, this Base Prospectus, the applicable Final Terms or any other offering material relating to the Bonds, other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland.

For these purposes "public offer" refers to the respective definitions in Article 3(g) and (h) FinSA and as further detailed in the implementing Swiss Federal Financial Services Ordinance (FinSO).

If Bonds qualifying as debt instruments with a "derivative character" (as such expression is understood under FinSA) are offered to private clients within the meaning of FinSA in Switzerland a key information document under Article 58 FinSA (Basisinformationsblatt für Finanzinstrumente) or Article 59(2) FinSA in respect of such Bonds must be prepared and published. According to Article 58(2) FinSA, no key information document is required if Bonds are acquired for private clients under an asset management agreement. For this purpose, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA. For these purposes "offer" refers to the interpretation of such term in Article 58 FinSA.

The Bonds do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to the supervision by the FINMA, and investors will not benefit from the specific investor protection under the CISA.

23. GENERAL INFORMATION

23.1. INCORPORATION BY REFERENCE

The following documents are incorporated by reference into and shall form part of this Base Prospectus:

Document incorporated by reference	**Pages incorporated by reference**	**Pages of the Base Prospectus, on which the incorporation has taken place**
Financial Information		
1. Audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2023 together with an unqualified auditor's report	(page numbers refer to the pages of the PDF document)	Page 56, "12. Historical Financial Information"
Statement of Financial Position	16	
Statement of Comprehensive Income	17	
Statement of Cash Flows	18	
Statement of Comprehensive Income	19	
Notes to the Accounts as at 31 December 2023	20-27	
Independent Auditor's Report	28 - 31	
2. Audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2024 together with an unqualified auditor's report	(page numbers refer to the pages of the PDF document)	Page 56, "12. Historical Financial Information"
Statement of Financial Position	16	
Statement of Profit or Loss and Other Comprehensive Income	17	
Statement of Cash Flows	18	
Statement of Changes in Equity	19	
Notes to the Accounts as at 31 December 2024	20-32	
Independent Auditor's Report	33 - 36	
3. Unaudited interim financial statements of the Issuer (*Halbjahresfinanzbericht*) dated 30 June 2025	(page numbers refer to the pages of the PDF document)	Page 56, "12. Historical Financial Information"
Statement of Financial Position	3	
Statement of Comprehensive Income	4	
Statement of Cash Flows	5	
Statement of Changes in Equity	6	

Notes to the Accounts as at 30 June 2025	7-20	

Any information not incorporated by reference into this Base Prospectus but contained in the documents set out above as source documents in the cross-reference lists above is either not relevant for investors or covered elsewhere in this Base Prospectus.

The documents incorporated by reference can be found on the following websites:

Financial Information:

- The audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2023 together with an unqualified auditor's report:

  https://bitwiseinvestments.eu/resources/financial_statements_Reports/annual_financial_statements_ifrs_2023.pdf

- The audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2024 together with an unqualified auditor's report:

  https://bitwiseinvestments.eu/resources/financial_statements_Reports/annual_financial_statements_ifrs_2024.pdf

- The unaudited interim financial statements of the Issuer (*Halbjahresfinanzbericht*) dated 30 June 2025:

  https://bitwiseinvestments.eu/resources/financial_statements_Reports/bitwise_interims_reporting_062025_ifrs.pdf

The documents containing the information incorporated by reference have been filed with Bafin. They are available free of charge by the Issuer and are published in electronic form on the Issuer's website https://bitwiseinvestments.eu/resources/#Documents.

Except for the hyperlinks to the documents incorporated by reference and other except where stated otherwise in this Base Prospectus, where this Base Prospectus contains hyperlinks to websites,the information on such websites do not form part of this Base Prospectus and have not been scrutinised or approved by Bafin as competent authority.

23.2. DOCUMENTS ON DISPLAY

For the term of this Base Prospectus, copies of the following documents may, when published, be inspected during normal business hours (i.e. between 9:00 (CET) and 17:00 (CET)) at the specified office of the Paying Agent and will be available on the website of the Issuer (https://bitwiseinvestments.eu/resources/):

(a) the Base Prospectus and any supplement thereto;

(b) the constitutional documents of the Issuer;

(c) the Terms and Conditions;

(d) the German Security and Security Trust Agreement in relation to each Series of Bonds;

(e) the Secured Property Agreement in relation to each Series of Bonds;

(f) the Secured Custody Account Control Agreement in relation to each Series of Bonds;

(g) the Issuance Account Control Agreement in relation to each Series of Bonds;

(h) the relevant Final Terms for each Series of Bonds;

(i) the audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2023 together with an unqualified auditor's report;

(j) the audited annual financial statements of the Issuer (*Jahresabschluss*) dated 31 December 2024 together with an unqualified auditor's report;

(k) the unaudited interim financial statements of the Issuer (*Halbjahresfinanzbericht*) dated 30 June 2025.

24. NAMES AND ADDRESSES

ISSUER

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SECURITY TRUSTEE

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United Kingdom

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United States of America

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6216 Pinnacle Place
Suite 101
Sioux Falls, SD 57108
United States of America

BitGo Europe GmbH
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60313 Frankfurt am Main
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FISCAL AGENT AND PAYING AGENT

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ADMINISTRATOR

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Sliema SLM1670
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