

Base Prospectus

DB ETC Index plc

(incorporated as a public company with limited liability under the Companies (Jersey) Law 1991)

Secured ETC Index Linked Securities Programme

What is this document?

This document (this “**Base Prospectus**”) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and is in respect of the Secured ETC Index Linked Securities Programme (the “**Programme**”) of DB ETC Index plc (the “**Issuer**”).

This Base Prospectus is valid for one year and may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

It is important that you read and understand this Base Prospectus before you invest in ETC Securities.

What type of securities does this document relate to?

This Base Prospectus relates to the issuance of secured, limited recourse securities (“**ETC Securities**”) of the Issuer that will be linked to a commodity Index, will not pay any interest and upon maturity will pay an amount linked to the performance of the commodity Index, subject to deduction of a fee.

The ETC Securities involve a significant degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment.

Who is the Issuer?

The Issuer is a special purpose vehicle whose sole business is the issue of ETC Securities.

What is in this Base Prospectus?

This Base Prospectus, together with the documents incorporated by reference within, is intended to provide investors with information with regard to the Issuer and the ETC Securities which, according to the particular nature of the Issuer and the ETC Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

The contractual terms of any particular Series of ETC Securities will be made up of the terms and conditions set out at pages 77-179 of this Base Prospectus, as completed by a separate Final Terms document, which is specific to that issuance of ETC Securities (the “**Final Terms**”).

The Base Prospectus also discloses: risk factors relating to an investment in ETC Securities; information about the agreements entered into by the Issuer in respect of the ETC Securities; information concerning certain parties that have roles in connection with the Programme; information regarding taxation in certain jurisdictions; and information about selling restrictions applicable to the ETC Securities.

All capitalised terms used will be defined in this Base Prospectus or the Final Terms and a glossary of defined terms is set out at pages 244 –249 of this Base Prospectus. Where a branch of any entity is referred to in this Base Prospectus, investors should note that such branch is not a subsidiary of such entity and does not comprise a separate legal entity, and accordingly, any recourse may be had to the relevant entity and not just the specified branch. Deutsche Bank AG performs various roles with respect to the ETC Securities. In performing such roles, Deutsche Bank AG will act through its London branch. Deutsche Bank AG has chosen to perform its roles through this branch because key activities relevant to its roles are carried out by it from London and because of its operational and administrative policies. However, as described previously, Deutsche Bank AG's decision to perform its role from its London branch does not affect or limit, in any respect, the rights of any person who contracts with it.

What other documents do I need to read?

This Base Prospectus contains all information which is necessary to enable investors to make an informed decision of the financial position and prospects of the Issuer and of the rights attaching to the ETC Securities. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in an issue-specific document called the Final Terms. It is recommended that you read the documents incorporated by reference, as well as the Final Terms in respect of the relevant Series of ETC Securities, together with this Base Prospectus.

This Base Prospectus and any document incorporated by reference will be made available at www.etc.db.com.

What information is included in the Final Terms?

Whilst the Base Prospectus includes general information about all ETC Securities, the Final Terms is the document that sets out the specific details of the particular issue of ETC Securities covered by those Final Terms. Such details will include:

the issue date; issue price; currency; series number; name(s) of the Authorised Participant(s); scheduled maturity date; the commodity Index to which those ETC Securities are linked; the fee percentages or maximum fee percentages applicable to those ETC Securities and whether those ETC Securities are in bearer or registered form.

Arranger and Lead Authorised Participant
DEUTSCHE BANK AG

The date of this Base Prospectus is 8 May 2017.

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IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “**Prospectus Directive**”).

Approval

This document has been approved as a base prospectus by the United Kingdom Financial Conduct Authority (the “**FCA**”) under the Financial Services and Markets Act 2000 (“**FSMA**”). The Issuer has requested or may request the FCA to provide the competent authority in Austria, the *Österreichische Finanzmarktaufsichtsbehörde* (Austrian Financial Market Authority), the competent authority in Belgium, the *Financial Services and Markets Authority*, the competent authority in Finland, the *Finanssivalvonta* (Finnish Financial Supervisory Authority), the competent authority in France, the *Autorité des Marchés Financiers* (Authority for the Financial Markets), the competent authority in Germany, the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the Federal Financial Supervisory Authority), the competent authority in Ireland, the *Central Bank of Ireland*, the competent authority in Italy, the *Commissione Nazionale per le Società e la Borsa* (CONSOB), the competent authority in Luxembourg, the *Commission de Surveillance du Secteur Financier* (Commission for the Supervision of the Financial Sector), the competent authority in the Netherlands, the *Autoriteit Financiële Markten* (Authority for the Financial Markets) and the competent authority in Sweden, *Finansinspektionen* (Financial Supervisory Authority) with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive (a “**Notification**”). The Issuer may request the FCA to provide competent authorities in additional Member States within the European Economic Area with a Notification.

Admission to Listing and Trading

ETC Securities issued under the Programme may be admitted by the FCA under Part VI of FSMA (“**UK Listing Authority**”) for listing on the official list of the UK Listing Authority (the “**Official List**”) and admitted to trading on the regulated market of the London Stock Exchange plc (the “**London Stock Exchange**”) (the “**Market**”). The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in Financial Instruments (“**MiFID**”). In addition or alternatively, a Series of ETC Securities may be listed on the official list of one or more of the following stock exchanges and be admitted to trading on the regulated market or other main market thereof: Euronext Paris, Euronext Amsterdam, the Frankfurt Stock Exchange, the Luxembourg Stock Exchange, the Borsa Italiana, the OMX Nordic Exchange and/or the SIX Swiss Exchange (each a “**Stock Exchange**”) as may be agreed between the Issuer and the Arranger. References in this Base Prospectus to ETC Securities being “listed” (and all related references) shall mean that such ETC Securities have either been admitted to the Official List and have been admitted to trading on the Market or have been admitted to the official list and have been admitted to trading on the regulated market or other main market of any other Stock Exchange. **Unlisted Series of ETC Securities that are being offered to the public under Article 2(1)(d) of the Prospectus Directive may also be issued pursuant to the Programme. Unlisted Series of ETC Securities that are not being offered to the public under Article 2(1)(d) of the Prospectus Directive may not be offered under the Programme. Unlisted Series of ETC Securities will not be exchange-traded. The Final Terms relating to a Series of ETC Securities will specify whether or not such ETC Securities are to be listed.** References in this Base Prospectus to ETC Securities being “unlisted” (and all related references) shall mean that such ETC Securities have been offered by way of a public offer in accordance with the Prospectus Directive and have not been listed on the official list or admitted to trading on the regulated market or other main market of a Stock Exchange.

Rating

ETC Securities issued under the Programme may be rated or unrated. Where a Series of ETC Securities is to be rated such rating will be specified in the applicable Final Terms. Such rating will not necessarily be the same as the rating assigned to the ETC Securities already issued. A rating is not a recommendation to buy, sell or hold and may be subject to suspension, reduction or withdrawal at any time by the assigning agency.

This Base Prospectus contains references to credit ratings granted by Moody's Investors Service Inc. ("**Moody's**"), Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. ("**S&P**") and Fitch Ratings Limited ("**Fitch**"). Fitch is established in the European Union and is registered in accordance with Regulation (EC) No. 1060/2009 on credit rating agencies (the "**CRA Regulation**"). Moody's and S&P are not established in the European Union and have not applied for registration pursuant to the CRA Regulation.

Responsibility for Base Prospectus and Consent to Use by Authorised Offerors

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in the section entitled "*Information Concerning the Lead Authorised Participant, the Custodian and the Programme Swap Counterparty*" and in the section entitled "*Description of the Commodity Indices*" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETC Securities. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Deutsche Bank AG or the relevant Index Sponsor, as applicable, no facts have been omitted which would render such reproduced information inaccurate or misleading.

Deutsche Bank AG accepts responsibility for the information contained in the section entitled "*Information Concerning the Lead Authorised Participant, the Custodian and the Programme Swap Counterparty*". To the best of the knowledge and belief of Deutsche Bank AG (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. To the fullest extent permitted by law, Deutsche Bank AG does not accept any responsibility (whether arising in tort, contract or otherwise) for the other contents of this Base Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Issuer or the issue and offering of the ETC Securities.

The Issuer consents to the use of this Base Prospectus (and accepts responsibility for the information contained in this Base Prospectus) with respect to subsequent resale or final placement by way of public offer of a Series of ETC Securities by any Authorised Participant, Authorised Distributor or other financial intermediary in respect of that Series of ETC Securities in any of Austria, Belgium, France, Finland, Germany, Ireland, Italy, Luxembourg, the Netherlands and Sweden, which is an investment firm within the meaning of MiFID and which is authorised in accordance with MiFID in any EU member state (each an "**Authorised Offeror**"), provided such Authorised Offeror complies with the Selling Restrictions. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the date of the Base Prospectus unless such consent is withdrawn prior to that date by notice published on the website of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders). Other than the right of the Issuer to withdraw the consent and the aforementioned requirements

applicable to Authorised Offerors, no other conditions are attached to the consent described in this paragraph. Any new information with respect to the identity of any new Authorised Participants will be published on the website of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders). **An Authorised Offeror using this Base Prospectus is required to publish on its website that it uses this Base Prospectus in accordance with the consent of the Issuer and the conditions attached thereto.** However, neither Daniel Le Blancq, Edward Thorogood, Ellen Chislett, Paul Willing, Peter Gatehouse nor Stephen Langan (as directors of the corporate directors of the Issuer) nor Deutsche Bank AG has any responsibility for any of the actions of any Authorised Offeror (save where it is itself an Authorised Offeror), including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.

Any offer or sale of ETC Securities to an investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Base Prospectus or Final Terms, it will be the responsibility of the applicable financial intermediary at the time of such offer to provide the investor with that information and neither the Issuer, nor the Arranger or other Authorised Offeror has any responsibility or liability for such information.

Other than as set out above, neither the Issuer nor the Arranger has authorised (nor do they authorise or consent to the use of this Base Prospectus in connection with) any resale or final placement of the ETC Securities by way of a public offer by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Arranger or Authorised Offerors and none of the Issuer or the Arranger or Authorised Offerors has any responsibility or liability for the actions of any person making such offers. Investors should enquire whether a financial intermediary is an Authorised Offeror. If an investor is offered ETC Securities by a person or entity which is not an Authorised Offeror, the investor should check with such person or entity whether any entity is responsible for this Base Prospectus for the purposes of section 90 of FSMA in the context of an offer of ETC Securities to the public. If the investor is in doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should take legal advice.

To the fullest extent permitted by law, no Authorised Offeror (excluding, for this purpose, Deutsche Bank AG and any branch thereof) accepts any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Issuer or the issue and offering of the ETC Securities. Each Authorised Offeror (excluding, for this purpose, Deutsche Bank AG and any branch thereof) disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus and/or any such statement.

The Authorised Participants may appoint distributors or brokers (which may include Deutsche Bank AG or any of its Affiliates) in connection with the offering of ETC Securities and may pay commissions or fees to such distributors or brokers in an amount not exceeding one-third of the Product Fee in relation to the relevant Series of ETC Securities (any such appointed distributor or broker being an “**Authorised Distributor**”). If any commissions or fees relating to the issue and sale of these ETC Securities have been paid or are payable by an Authorised Participant to a distributor or broker, then such distributor or broker may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of

discount) as required in accordance with laws and regulations applicable to such distributor or broker, including any legislation, regulation and/or rule implementing the MiFID, or as otherwise may apply in any non European Economic Area jurisdictions. Potential investors in these ETC Securities should ensure that they have been informed about the fee or commission arrangements by the distributor or broker before making any purchase of the ETC Securities.

Other Representations not to be Relied on

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the ETC Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Lead Authorised Participant, any Authorised Offeror, the Determination Agent, any other Agent, the Programme Swap Counterparty, Swap Counterparty or any Credit Support Provider.

Possible Change in Circumstances of the Issuer

Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

No representation as to Swap Counterparty, Credit Support Provider or Posted Collateral

None of the Issuer, the Arranger, any Transaction Party nor any Affiliate of any such persons makes any representation as to the credit quality of the Swap Counterparty, any Credit Support Provider or any Posted Collateral. Any of such persons may have acquired, or during the term of the ETC Securities may acquire, non-public information in relation to the Swap Counterparty, any Credit Support Provider and/or the Posted Collateral. None of such persons is under any obligation to make such information directly available to Securityholders. None of the Issuer, the Arranger, any Transaction Party nor any Affiliate of any such persons is under any obligation to make available any information relating to, or keep under review on the Securityholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Swap Counterparty, any Credit Support Provider or any issuer/obligor in relation to any Eligible Financial Instruments transferred to the Issuer under the relevant Credit Support Deed or any other Credit Support Document or conduct any investigation or due diligence thereon.

No representation as to Index Sponsor

The ETC Securities are not sponsored, endorsed, sold or promoted by the Index Sponsor (in its capacity as such, although an Index Sponsor might also be an Authorised Participant) of the relevant Index and the Index Sponsor makes no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise.

None of the Issuer or any Transaction Party shall (or is under any obligation to) verify any calculation, determination of, or level published by, the relevant Index Sponsor in respect of the Index. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. None of the Issuer or any Transaction Party shall have any liability to any Securityholder or any other person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, maintenance and/or publication of the Index.

Investors to Make Own Assessment

This document identifies in general terms certain information that a prospective investor should consider prior to making an investment in the ETC Securities. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal, regulatory, financial and tax analysis) prior to deciding whether to invest in any ETC Securities issued under the Programme. Any evaluation of the suitability for an investor of an investment in ETC Securities issued under the Programme depends upon that prospective investor's particular financial and other circumstances, as well as on the specific terms of the relevant ETC Securities.

No Investment Advice or Assessment of Suitability or Lawfulness of Acquisition

This document is not, and does not purport to be, investment advice, and none of the Issuer, the Arranger or any Transaction Party makes any recommendation as to the suitability of the ETC Securities as an investment. The provision of this document to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any prospective investor of the ETC Securities. Even if the Issuer, the Arranger or a Transaction Party possesses information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for such person of the ETC Securities. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgment and/or that of its advisers and not in reliance on the Issuer, the Arranger, any Transaction Party or any of their respective Affiliates.

None of the Issuer, the Arranger, any Transaction Party nor any Affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the ETC Securities by a prospective purchaser of the ETC Securities (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or any jurisdiction in which it operates (if different), or for compliance by that prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

Distribution and No Offer

The distribution of this Base Prospectus and the offering or sale of the ETC Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Lead Authorised Participant, all Authorised Offerors and the Arranger to inform themselves about and to observe any such restrictions.

For a description of certain restrictions on offers and sales of ETC Securities and on the distribution of this Base Prospectus, see the section entitled "*Subscription and Sale*".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any Transaction Party to subscribe for, or purchase, any ETC Securities.

United States Selling Restrictions

THE ETC SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR UNDER THE SECURITIES LAW OF ANY STATE OR POLITICAL SUB-DIVISION OF THE UNITED STATES OF AMERICA OR ANY OF ITS TERRITORIES, POSSESSIONS OR OTHER AREAS SUBJECT TO ITS JURISDICTION INCLUDING THE COMMONWEALTH OF PUERTO RICO AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, NOR UNDER ANY OTHER FEDERAL LAWS OF THE UNITED STATES OF AMERICA. NO PERSON HAS REGISTERED NOR WILL REGISTER AS A COMMODITY POOL OPERATOR OF THE ISSUER UNDER THE COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE “**CEA**”) AND THE RULES THEREUNDER (THE “**CFTC RULES**”) OF THE COMMODITY FUTURES TRADING COMMISSION (THE “**CFTC**”). ANY OFFER OR SALE OF THE ETC SECURITIES MUST BE MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO REGULATION S THEREUNDER (“**REGULATION S**”). THE ETC SECURITIES MAY NOT AT ANY TIME BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO PERSONS WHO ARE EITHER U.S. PERSONS AS DEFINED IN REGULATION S OF THE SECURITIES ACT OR PERSONS WHO DO NOT COME WITHIN THE DEFINITION OF A NON-UNITED STATES PERSON UNDER CFTC RULE 4.7 (EXCLUDING FOR THE PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS). FOR A DESCRIPTION OF FURTHER RESTRICTIONS ON THE OFFER, SALE AND TRANSFER OF THE ETC SECURITIES, PLEASE REFER TO THE “UNITED STATES” SUB-SECTION IN THE “SUBSCRIPTION AND SALE” SECTION OF THIS BASE PROSPECTUS.

ETC SECURITIES MAY NOT BE LEGALLY OWNED BY ANY ENTITY THAT IS, OR THAT IS USING THE ASSETS OF, (A)(I) AN “**EMPLOYEE BENEFIT PLAN**” (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”)) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY REQUIREMENTS OF TITLE I OF ERISA, (II) A “**PLAN**” TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), APPLIES, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE “**PLAN ASSETS**” (AS DETERMINED PURSUANT TO THE “**PLAN ASSETS REGULATION**” ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR AT 29 C.F.R. SECTION 2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA) BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN’S INVESTMENT IN THE ENTITY (ANY SUCH PLAN OR ENTITY DESCRIBED IN (I), (II) OR (III), A “**BENEFIT PLAN INVESTOR**”) OR (B) A NON-U.S. PLAN, GOVERNMENTAL PLAN, CHURCH PLAN OR OTHER PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT IS SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A “**SIMILAR LAW**”) UNLESS ITS ACQUISITION AND HOLDING AND DISPOSITION OF SUCH ETC SECURITY, OR ANY INTEREST THEREIN, HAS NOT AND WILL NOT RESULT IN A VIOLATION OF SUCH SIMILAR LAW.

No Verification or Review by Arranger or Transaction Party

None of the Arranger or any Transaction Party has separately verified the information contained in this Base Prospectus (save as otherwise provided above) and accordingly none of them makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information,

notice or other document which may, at any time, be supplied in connection with the ETC Securities or their distribution and none of them accepts any responsibility or liability therefor. None of the Arranger or any Transaction Party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the ETC Securities of any information coming to their attention.

Certain Jersey Notices

A copy of this Base Prospectus has been delivered to the Registrar of Companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958, as amended, to the issue of ETC Securities by the Issuer. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law, 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

The investments described in this document do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the Jersey Financial Services Commission as suitable investments for any other type of investor.

It is advisable that any individual intending to invest in any investment described in this document seek professional advice and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

The ETC Securities are not units in an authorised collective investment scheme for the purposes of the FSMA.

Interpretation

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “dollars”, “U.S. dollars”, “USD”, “\$” and “U.S.\$” are to the lawful currency of the United States of America, references to “sterling”, “pounds sterling”, “GBP” and “£” are to the lawful currency of the United Kingdom, references to “euro”, “EUR” and “€” are to the lawful currency of those Member States of the European Union that have adopted the single currency of the European Union, references to “CHF” are to the lawful currency of Switzerland and references to “JPY” and “¥” are to the lawful currency of Japan. All references in this Base Prospectus to any time shall be expressed using the 24-hour clock convention.

Supplementary Prospectus

If, at any time, the Issuer shall be required to prepare a supplementary prospectus pursuant to section 87G of the FSMA, the Issuer will prepare and make available an appropriate amendment or

supplement to this Base Prospectus which, in respect of any subsequent issue of ETC Securities to be listed on the Official List and admitted to trading on the Market, shall constitute a supplementary prospectus as required by the UK Listing Authority and section 87G of the FSMA.

The Issuer has given an undertaking to the Lead Authorised Participant and the other Authorised Participants that if, at any time during the duration of the Programme, there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any ETC Securities and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the ETC Securities, the Issuer shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the ETC Securities and shall supply to the Lead Authorised Participant and the Authorised Participants, the Trustee and the Agents such number of copies of such supplement hereto as they may reasonably request.

INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

- (i) the Report and Financial Statements of the Issuer for the period from 1 January 2015 to 31 December 2015;
- (ii) the Report and Financial Statements of the Issuer for the period from 1 January 2016 to 31 December 2016; and
- (iii) for the purpose of any issues of ETC Securities under this Base Prospectus which are to be consolidated and form a single series with an existing tranche of ETC Securities:
 - (a) the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 26 January 2010 (pages 59 to 171); or
 - (b) if applicable, the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 25 October 2010 (pages 64 to 182), the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 6 July 2011 (pages 66 to 181); or
 - (c) if applicable, the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 11 April 2012 (pages 67 to 177); or
 - (d) if applicable, the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 16 May 2013 (pages 76-178); or
 - (e) if applicable, the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 16 May 2014 (pages 77-179); or
 - (f) if applicable, the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 15 May 2015 (pages 77 – 179); or
 - (g) if applicable, the section entitled “Master Terms and Conditions of the ETC Securities” contained in the Base Prospectus dated 12 May 2016 (pages 77 – 179),

(and for the avoidance of doubt, the applicable Final Terms will indicate the Master Terms and Conditions of the ETC Securities applicable to such Series of ETC Securities and, unless otherwise indicated in the applicable Final Terms, the Master Terms and Conditions of the ETC Securities issued after the date hereof shall be those set out in this Base Prospectus);

each of which has been previously published and has been filed with the FCA. Such documents shall be incorporated into and shall form part of this Base Prospectus, save that any statement contained herein or in a document incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is incorporated by reference herein modifies or supersedes such statement. Any such statement modified or superseded shall not, except as so modified or superseded, constitute part of this Base Prospectus. Any documents which are incorporated by reference into the documents listed above shall not constitute part of this Base Prospectus. The non-incorporated parts of the Base Prospectus dated 26 January 2010, the Base Prospectus dated 25 October 2010, the Base Prospectus dated 6 July 2011, the Base Prospectus dated 11 April 2012, the Base Prospectus dated 16 May 2013, the Base Prospectus dated 16 May

2014, the Base Prospectus dated 15 May 2015, the Base Prospectus dated 12 May 2016, the Report and Financial Statements of the Issuer for the period from 1 January 2015 to 31 December 2015 and the Report and Financial Statements of the Issuer for the period from 1 January 2016 to 31 December 2016 are either not relevant for investors or are covered elsewhere in this Base Prospectus.

The above documents are available on the following websites maintained on behalf of the Issuer (or such other website as may be notified to Securityholders):

Base Prospectus dated 26 January 2010

<http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202010a>

Base Prospectus dated 25 October 2010

<http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB ETC Index plc - Base Prospectus 2010>

Base Prospectus dated 6 July 2011

<http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202011>

Base Prospectus dated 11 April 2012

<http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202012>

Base Prospectus dated 16 May 2013

<http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202013>

Base Prospectus dated 16 May 2014

<http://etc.deutscheawm.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202014>

Base Prospectus dated 15 May 2015

<http://etc.deutscheawm.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202015>

Base Prospectus dated 12 May 2016

<https://etc.deutscheam.com/GBR/ENG/Downloads>

Report and Financial Statements of the Issuer for the period 1 January 2015 to 31 December 2015

<https://etc.deutscheam.com/GBR/ENG/Downloads/Default/64055335-3b66-4e2d-8ac4-9cf94833548b>

Report and Financial Statements of the Issuer for the period 1 January 2016 to 31 December 2016

<https://etc.deutscheam.com/GBR/ENG/Downloads>

The above documents may be inspected at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent with respect to the relevant ETC Securities.

The tables below set out the relevant page references for the documents incorporated by reference in the Base Prospectus.

(a) Report and Financial Statements of the Issuer (1 January 2015 to 31 December 2015):

<u>Section:</u>	<u>Page:</u>
Directors' and other information	1
Directors' report	2-4
Statement of directors' responsibilities	5
Independent auditor's report	6-7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12-27

(b) Report and Financial Statements of the Issuer (1 January 2016 to 31 December 2016):

<u>Section:</u>	<u>Page:</u>
Directors' and other information	1
Directors' report	2-4
Statement of directors' responsibilities	5
Independent auditor's report	6-7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12-24

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A - E (A.1 to E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and DB ETC Index plc (the “**Issuer**”). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
A.1	Introduction and warnings	<ul style="list-style-type: none"> • This summary should be read as an introduction to this document (the “Base Prospectus”). • Any decision to invest in the secured, limited recourse securities to which this Base Prospectus relates to (the “ETC Securities”) should be based on a consideration by the investor of the Base Prospectus as a whole, including any documents incorporated by reference. • Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States of the European Union, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. • Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the ETC Securities.
A.2	Consent for use of Base Prospectus in subsequent resale or final placement and warning	<p>The Issuer consents to the use of the Base Prospectus (and accepts responsibility for the information contained in the Base Prospectus) with respect to subsequent resale or final placement by way of public offer of a series of ETC Securities by any Authorised Participant (as described below), Authorised Distributor (as described below) or other financial intermediary in respect of that series of ETC Securities in any of Austria, Belgium, France, Finland, Germany, Ireland, Italy, Luxembourg, the Netherlands and Sweden, which is an investment firm within the meaning of Directive 2004/39/EC of the European Parliament and of the Council on Markets in Financial Instruments (“MiFID”) and which is authorised in accordance with MiFID in any EU member state (each an “Authorised Offeror”), provided such Authorised Offeror complies with the selling restrictions. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the date of the Base Prospectus unless such consent is withdrawn prior to that date by notice published on the website of the Issuer at www.etc.db.com (or such other website as may be notified to securityholders). Other than the right of the Issuer to withdraw the consent and the aforementioned requirements applicable to Authorised Offerors, no other conditions are attached to the</p>

		<p>consent described in this paragraph. Any new information with respect to the identity of any new Authorised Participants will be published on the website of the Issuer at www.etc.db.com (or such other website as may be notified to securityholders).</p> <p>An Authorised Participant is an entity that is allowed to buy and sell ETC Securities directly from and to the Issuer. Authorised Participants may act as market makers, i.e. entities that buy and/or sell ETC Securities from and to investors on an over-the-counter basis or via a stock exchange. Deutsche Bank AG is the Lead Authorised Participant and, in such capacity, will be an Authorised Participant for each series of ETC Securities.</p> <p>An Authorised Distributor is an entity which is appointed by an Authorised Participant as distributor or broker in connection with the offering of a series of ETC Securities.</p> <p>An Authorised Offeror using this Base Prospectus is required to publish on its website that it uses this Base Prospectus in accordance with the consent of the Issuer and the conditions attached thereto.</p> <p>In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.</p> <p>Any offer or sale of ETC Securities to an investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Base Prospectus or the final terms specifying the relevant issue details of the ETC Securities (the "Final Terms"), it will be the responsibility of the applicable financial intermediary at the time of such offer to provide the investor with that information and neither the Issuer, nor the Arranger or other Authorised Offeror has any responsibility or liability for such information.</p>
Section B – Issuer		
B.1	The legal and commercial name of the Issuer	DB ETC Index plc
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	The Issuer was registered and incorporated on 6 August 2009 as a public limited company in Jersey (registration number 103783).
B.16	Extent to which the Issuer is directly or indirectly	<p>The Issuer has an authorised share capital of £10,000.</p> <p>All of the issued ordinary shares of the Issuer are held by Intertrust Nominees (Jersey) Limited and Intertrust Nominees 2 (Jersey) Limited for and on behalf of Intertrust Corporate Trustee (Jersey) Limited as trustee of the DB ETC Index Charitable Trust. The DB ETC Index Charitable Trust was established pursuant</p>

	owned or controlled	to a declaration of trust established by Intertrust Corporate Trustee (Jersey) Limited on 4 August 2009 for charitable purposes.
B.20	Special purpose vehicle	The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.
B.21	Issuer's principal activities including overview of the parties to the programme	<p>The Issuer is a special purpose vehicle whose sole business is the issue of asset-backed securities. The Issuer has established a programme for the issue of ETC Securities whose return is linked to the performance of a specified commodity index. Each series of ETC Securities will be separate (or 'ring-fenced') from each other series of ETC Securities.</p> <p>A number of other parties have roles in connection with the Programme:</p> <p><i>Programme Swap Counterparty and Swap Counterparty:</i> The Issuer will, in respect of each series of ETC Securities, gain exposure to a specified commodity index by entering into a swap agreement dated as of the series issue date of the ETC Securities entered into by the Issuer and Deutsche Bank AG as the swap counterparty (the "Swap Counterparty") (the "Swap Agreement"). Deutsche Bank AG is the programme swap counterparty (the "Programme Swap Counterparty") and the sole Swap Counterparty under the Secured ETC Index Linked Securities Programme of the Issuer (the "Programme").</p> <p><i>Trustee:</i> Deutsche Trustee Company Limited will act as trustee in respect of each series of ETC Securities (the "Trustee"). The Trustee acts as trustee for the holders of ETC Securities and also as security trustee (holding the benefit of the security granted by the Issuer over certain of its assets in respect of a series on trust for the securityholders and other transaction parties in respect of that series).</p> <p><i>Determination Agent:</i> Deutsche International Corporate Services (Ireland) Limited acts as determination agent (the "Determination Agent") in respect of each series of ETC Securities. Its duties include the calculation of the value of the ETC Securities, as well as performing certain administrative tasks for the Issuer with respect to the ETC Securities (such as facilitating buy-backs of ETC Securities and further issues, and performing an administrative role with respect to the provision of collateral by the Swap Counterparty).</p> <p><i>Paying Agents, Registrar and Custodian:</i> Deutsche Bank AG is the issuing and paying agent (the "Issuing and Paying Agent"), being the entity making payments under the ETC Securities, and the custodian (the "Custodian"), being the entity holding property, securities or cash received by them in custody accounts. The registrar for ETC Securities in dematerialised uncertificated registered form is Computershare Investor Services (Jersey) Limited (the "Registrar").</p> <p><i>Authorised Participants:</i> The Authorised Participants are the only entities allowed to buy and sell ETC Securities directly from and to the Issuer. Authorised Participants act also as market makers, i.e. they buy and sell ETC Securities from and to investors on an over-the-counter basis or via a stock exchange. However, not all market makers need to be Authorised Participants. The Lead Authorised Participant is Deutsche Bank AG (subject to any replacement) and, in such capacity, will be an Authorised Participant for each</p>

		<p>series. Additional Authorised Participants may also be appointed for a series of ETC Securities. <i>[Issue specific:]</i>[The additional Authorised Participant[s] for the ETC Securities of this series [is][are] [●].]/[There are no additional Authorised Participants for the ETC Securities of this series.]</p> <p>The entities performing the above roles may resign or, in certain cases be removed from such role, and be replaced, subject to notice and subject, in the case of the Swap Counterparty and the Custodian, to the replacement having a minimum required rating.</p> <p>For so long as Deutsche Trustee Company Limited acts as Trustee, Deutsche International Corporate Services (Ireland) Limited acts as Determination Agent and Deutsche Bank AG acts as the Programme Swap Counterparty, Swap Counterparty, the Issuing and Paying Agent, the Custodian and the Lead Authorised Participant, then all such parties are under common control.</p> <p><i>[Issue specific: insert information on the direct or indirect ownership or control between other transaction parties]</i></p>															
B.22	Issuer with no financial statements	Not applicable. The Issuer has commenced operations and financial statements are available.															
B.23	Selected historical key financial information	<p>The selected historical key financial information set out below has been extracted without material adjustment from the audited financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2016.</p> <table border="1"> <tr> <th></th><th>FY2015</th><th>FY2016</th></tr> <tr> <td>Total Assets</td><td>€217,774,777</td><td>€325,027,827</td></tr> <tr> <td>Total Equity</td><td>€82,502</td><td>€82,502</td></tr> <tr> <td>Total Current Liabilities</td><td>€217,692,275</td><td>€324,945,325</td></tr> <tr> <td>Total Equity and Liabilities</td><td>€217,774,777</td><td>€325,027,827</td></tr> </table>		FY2015	FY2016	Total Assets	€217,774,777	€325,027,827	Total Equity	€82,502	€82,502	Total Current Liabilities	€217,692,275	€324,945,325	Total Equity and Liabilities	€217,774,777	€325,027,827
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Total Current Liabilities	€217,692,275	€324,945,325															
Total Equity and Liabilities	€217,774,777	€325,027,827															
B.24	Description of material adverse change since date of last published audited financial statements	There has been no material adverse change in the financial position or prospects of the Issuer since the date of its last audited financial statements dated 31 December 2016.															
B.25	Description of underlying assets	With respect to each series of ETC Securities, the Issuer pays the entire proceeds from the issue of those ETC Securities to the Swap Counterparty under the Swap Agreement and, in return, the Swap Counterparty makes payments to the Issuer equal to the amounts the Issuer has to pay on the ETC Securities. In order to minimise the risk that the Swap Counterparty does not make the payments due from it under the Swap Agreement, it is required to provide the Issuer with collateral assets having a total value at least equal to the aggregate value per ETC Security of that series. This is provided for under a document known as a credit support deed relating to the Swap Agreement															

		<p>dated on or about the series issue date of the ETC Securities entered into by the Issuer and the Swap Counterparty (the “Credit Support Deed”). The collateral will be either physical gold or financial instruments meeting set quality criteria, although the Swap Counterparty may elect, upon giving not less than 90 calendar days’ prior notice, to substitute the gold collateral with financial instruments meeting set quality criteria or vice versa. The collateral delivered under the Credit Support Deed is known as posted collateral (the “Posted Collateral”).</p> <p>The main assets of the Issuer in respect of a series of ETC Securities are its rights and interests under the related Swap Agreement and Credit Support Deed.</p> <p>The obligations of the Issuer and the Swap Counterparty under the Swap Agreement relating to a series of ETC Securities have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the ETC Securities.</p>
B.26	Actively managed pool of assets	Not applicable. The Secured Property of each series of ETC Securities will not be an actively managed pool of assets.
B.27	Statement as to how the Issuer intends to issue further securities backed by the same assets	The Issuer may create and issue further securities having the same terms and conditions as an existing series of ETC Securities in all respects and so that such further issue will be consolidated and form a single series with such series of ETC Securities and be secured by the same Secured Property (as increased or supplemented in connection with such issue of such new securities).
B.28	Description of the structure of the transaction	<p>Each ETC Security is issued by the Issuer to an Authorised Participant. The Issuer then pays the issue proceeds to the Swap Counterparty under the Swap Agreement. In return, the Swap Counterparty makes payments to the Issuer that reflect the performance of the relevant index and which equal the amounts the Issuer has to pay on the ETC Securities.</p> <p>In order to minimise the risk that the Swap Counterparty does not make the payments due from it under the Swap Agreement, it is required to provide the Issuer with collateral assets. This is provided for under a document known as a Credit Support Deed. If the Swap Counterparty did default on its payments, the collateral would be available to be sold in order to pay off amounts owing by the Swap Counterparty. The collateral will be either physical gold or financial instruments meeting set quality criteria, although the Swap Counterparty may elect, upon giving not less than 90 calendar days’ prior notice, to substitute the gold collateral with financial instruments meeting set quality criteria or vice versa. The collateral delivered under the Credit Support Deed is known as the Posted Collateral.</p> <p>The collateral will be held for the Issuer by the custodian, which is currently Deutsche Bank AG. Where the collateral is in the form of gold, it will be held by JPMorgan Chase Bank N.A., a sub-custodian. A structure diagram showing the principal aspects of the structure is set out below:</p>

	<p>Investor: Purchases ETC Securities on exchange or from a market counterparty</p> <p>Authorised Participant: Deutsche Bank AG and/or any other APs</p> <p>Issuer: db-X ETC, DB ETC Index plc</p> <p>Swap Counterparty: Deutsche Bank AG or replacement</p> <p>Swap Collateral Custodian: Deutsche Bank AG or replacement</p> <p>Swap Collateral Sub-Custodian***: JPMorgan Chase Bank, N.A.</p> <p>Flows: Cash from Investor to AP, AP to Issuer, Issuer to Swap Counterparty. ETC Securities from AP to Investor. Index Return from Swap Counterparty to Issuer. Delivery of Gold collateral* or eligible financial instruments** from Swap Counterparty to Swap Collateral Custodian. Swap Collateral Sub-Custodian*** from Swap Collateral Custodian.</p> <p>***only where Gold is used as collateral</p> <p>* can be exchanged for eligible financial instruments</p> <p>** can be exchanged for Gold</p>	
		<i>[Issue Specific:] [Describe structure of the transaction.]</i>
B.29	Description of the flow of funds including information on swap counterparties	<p>Under the Swap Agreement, the Issuer pays the entire proceeds from the issue of ETC Securities to the Swap Counterparty upon receipt. The Issuer will fund payments under the ETC Securities from payments it receives under the Swap Agreement. Its ability to meet payments under the ETC Securities is entirely dependent on its receipt of such payments from the Swap Counterparty.</p> <p>The Swap Counterparty's obligations under the Swap Agreement are collateralised by a separate Credit Support Deed under which Posted Collateral will be transferred to the Issuer. If the Swap Agreement terminates and the Swap Counterparty does not pay in full the amount due, the Issuer may enforce such security and sell all or part of the Posted Collateral in order to use the proceeds to satisfy the obligation of the relevant Swap Counterparty to pay the Issuer the relevant termination amounts under the Swap Agreement.</p>
B.30	Originators of the securitised assets	<p>Not applicable. The term "originator" when used in respect of securitised assets typically means the person who has separately created such assets (usually financial assets) or caused them to be created, and which assets are then normally sold or transferred to the securities issuer. With the ETC Securities, the only securitised asset is the Swap Agreement. This is a new agreement entered into directly between the Swap Counterparty and the Issuer, and was not separately created and sold or transferred to the securities issuer. As a result, there is no entity that acts as "originator" in respect of the securitised assets backing the ETC Securities.</p>
Section C – Securities		
C.1	Type and class of Securities including security identification number	<p>Each series of ETC Securities will be in either bearer form (such ETC Securities being the "Bearer Securities") or dematerialised uncertificated registered form only (such ETC Securities being the "Uncertificated Registered Securities"). Bearer Securities may not be exchanged for Uncertificated Registered Securities and <i>vice versa</i>.</p> <p>Bearer Securities will be represented on issue by a global security (the "Global</p>

		<p>Securities") in either new global note or classic global note form.</p> <p>Uncertificated Registered Securities will be held in dematerialised uncertificated registered form in accordance with the uncertificated regulations and will be participating securities for the purposes thereof. Title to Uncertificated Registered Securities will be recorded on the register and will pass by registration in the register.</p> <p><i>[Issue specific:]</i></p> <p>[The ETC Securities are issued in [bearer [new global note][classic global note]][dematerialised uncertificated registered] form.]</p> <p>[ISIN Code: [●]]</p> <p>[Common Code: [●]]</p>
C.2	Currencies	<p>Subject to compliance with all relevant laws, regulations and directives, ETC Securities may be issued in any currency as agreed between the Issuer and the Arranger.</p> <p><i>[Issue specific:]</i>[The ETC Securities will be denominated in [●] and will be settled in [●].]</p>
C.5	A description of any restrictions on the free transferability of the securities	<p>Interests in ETC Securities traded in any clearing system will be transferred in accordance with the procedures and regulations of that clearing system.</p> <p>The ETC Securities will be freely transferable.</p> <p>Investors should note that the ETC Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under the securities law of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other federal laws of the United States of America, nor has any person registered, or will register, as a commodity pool operator of the Issuer under the Commodity Exchange Act of 1936, as amended (the "CEA") and the rules thereunder (the "CFTC Rules") of the Commodity Futures Trading Commission (the "CFTC"). Any offer or sale of the ETC Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder ("Regulation S"). The Issuer has imposed a selling restriction on the Authorised Participants and any other Authorised Offerors that the ETC Securities may not at any time be offered, sold or otherwise transferred in the United States or to persons who are either U.S. Persons as defined in Regulation S of the Securities Act or persons who do not come within the definition of a Non-United States person under CFTC Rule 4.7 (excluding for the purposes of sub-section (D) thereof, the exception to the extent it would apply to persons who are not non-United States persons).</p>
C.8	Description of the rights attaching to the securities	<p><i>Payment of Final Redemption Amount</i></p> <p>Unless previously redeemed in whole or purchased and cancelled by the Issuer, the ETC Securities of each series will become due and payable on their scheduled maturity date at their final redemption amount.</p> <p><i>Interest</i></p> <p>No interest shall accrue and be payable on the ETC Securities, save that if any payment of any final redemption amount or early redemption amount is improperly withheld or refused, interest shall accrue (before as well as after</p>

		<p>judgment) on such amount from the due date for redemption to but excluding the date for payment at an applicable inter-bank overnight rate for the currency in which those ETC Securities are denominated.</p> <p><i>Status</i></p> <p>The ETC Securities are secured, limited recourse obligations of the Issuer and the ETC Securities of a series rank equally amongst themselves.</p> <p><i>Security</i></p> <p>The obligations of the Issuer under the ETC Securities of a series will be secured pursuant to an English law governed security deed by security interests over the rights of the Issuer under the agreements entered into by it in respect of that series, including security interests over the Swap Agreement, the Credit Support Deed and any collateral delivered by the Swap Counterparty hereunder. The assets and property that is the subject of such security interest are known as “Secured Property” for that series.</p> <p>The security over the Secured Property in respect of a series of ETC Securities will become enforceable if payment of the redemption amount in respect of such ETC Securities is not made when due on the scheduled maturity date or the relevant early redemption date (if applicable).</p> <p><i>Early Redemption Events / Events of Default</i></p> <p>The ETC Securities of a series may become due and payable prior to their scheduled maturity date in connection with the occurrence of any of the following events:</p> <ul style="list-style-type: none"> • certain legal or regulatory changes occur in relation to the Issuer • the cancellation of the index without any successor index • the termination of the Swap Agreement, whether as a result of a default by one of the parties, for tax reasons, as a result of illegality or a force majeure event or for other reasons • the Determination Agent, the Issuing and Paying Agent, the Programme Swap Counterparty, the Custodian, the Registrar (in the case of ETC Securities in registered form), the Lead Authorised Participant and/or all the Authorised Participants, as applicable, resign or their appointment is terminated for any reason and no successor is appointed within 60 calendar days • the value per ETC Security for such series is not published for 14 consecutive days on which it is scheduled to be published • the value per ETC Security is less than or equal to 10 per cent. of the issue price as at the series issue date of the first ETC Securities of a series for two consecutive non-disrupted business days • a holder of an ETC Security does not, upon request, receive a firm bid price from an Authorised Participant for five consecutive non-disrupted business days and, following the requisite notices being given, such Securityholder does not receive a firm bid price for the relevant ETC Securities during a further 20 consecutive non-disrupted business days • an event of default occurs under the ETC Securities. These include certain breaches by the Issuer of its obligations that are not cured within
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		<p>the applicable cure period and certain insolvency events with respect to the Issuer.</p> <p><i>Issuer Call Option and Swap Counterparty Termination</i></p> <p>Under a series of ETC Securities, the Issuer has the option, exercisable upon 60 calendar days' notice, to elect to redeem all the ETC Securities of a series early.</p> <p>Under the Swap Agreement with respect to a series, the Swap Counterparty has the right, exercisable upon 60 calendar days' notice, to elect to terminate the Swap Agreement. In that case, the ETC Securities will also redeem early.</p> <p>In addition, owing to restrictions on the length of time for which the Swap Counterparty may be permitted (in accordance with its internal rules) to enter into swap transactions, it may be that the scheduled termination date of the Swap Agreement is earlier than the scheduled maturity date of the ETC Securities. The Issuer will seek to extend the term of such Swap Agreement, but there can be no assurance that this will be achievable. Should it not be possible to extend the terms of the Swap Agreement, the relevant series of ETC Securities will redeem early.</p> <p><i>Limited Recourse</i></p> <p>The rights of securityholders are limited in recourse to the relevant Secured Property. Any proceeds of the Secured Property will be applied in a pre-defined order. As a result of such provisions, the securityholders may not receive in full the final redemption amount or early redemption amount payable in respect of an ETC Security.</p> <p><i>Withholding Tax</i></p> <p>All payments in respect of the ETC Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any taxes. In the event that any withholding or deduction for, or on account of, any taxes applies to payments in respect of the ETC Securities, the holders of ETC Securities will be subject to such tax or deduction and shall not be entitled to receive amounts to compensate for any such tax or deduction. No event of default will occur as a result of any such withholding or deduction.</p> <p><i>Governing Law</i></p> <p>ETC Securities in bearer form will be governed by English law. ETC Securities in uncertificated registered form will be governed by Jersey law. The security deed dated on or about the series issue date of the ETC Securities (whether in bearer or uncertificated registered form) entered into as a deed by the Issuer, the Trustee and any other parties thereto (the "Security Deed") will be governed by English law.</p>
C.11	Listing and admission to trading/ indication of market where securities will be traded	<p>Application may be made for the ETC Securities of a series to be admitted for listing on the official list of one or more of the following stock exchanges and to be admitted to trading on the regulated market or other main market thereof: the London Stock Exchange, Euronext Paris, Euronext Amsterdam, the Frankfurt Stock Exchange, the Luxembourg Stock Exchange, the Borsa Italiana, the OMX Nordic Exchange and/or the SIX Swiss Exchange as specified below.</p> <p>[<i>Issue specific:</i>][Application has been made by the Issuer (or on its behalf) for the ETC Securities of this series to be admitted to [●] and to trading on [●].]</p> <p>[The ETC Securities of this series are unlisted.]</p>

C.12	Minimum denomination	The ETC Securities do not have a minimum denomination and are being treated by the Issuer for the purposes of Annex VIII of Commission Regulation No. 809/2004 of 29 April 2004, as amended, as having a minimum denomination of less than €100,000.
C.15	Effect of value of underlying instrument(s) on value of derivative securities	<p>The final redemption amount and any early redemption amount of an ETC Security depend on the value per ETC Security.</p> <p><i>Value per ETC Security</i></p> <p>The value per ETC Security is an amount in the currency of the relevant series of ETC Securities, calculated on a daily basis for each scheduled valuation day (subject to any market disruptions) and that represents the theoretical value of an ETC Security.</p> <p>The value per ETC Security depends primarily on the performance of the commodity index to which the ETC Securities are linked. If the value of the commodity index rises, the value per ETC Security should also rise. If the value of the commodity index falls, the value per ETC Security should also fall. However, the value per ETC Security is also reduced by the deduction of a fee. Depending on the performance of the commodity index, the deduction of the fee may erode any gains made from rises in the value of the commodity index.</p> <p>For example, assume that for a particular series of ETC Securities, the value per ETC Security starts at 100 on 31 October 2013. If the value of the underlying commodity index were to rise by 10% during November the value per ETC Security would rise by 10% minus the fees applicable to that month. If we assume that the fees are equal to 1.2% per annum this would mean that the fees for a month would be approximately 0.10%. So the value per ETC Security would rise by 9.9% to 109.90. Conversely, if the value of the underlying commodity index were to fall by 10% during November the value per ETC Security would fall by 10% and the fees applicable to that month will also be deducted. The value per ETC Security would thus fall by 10.1% (which is 10% plus the fees applicable to that month) to 89.9.</p> <p><i>Fees</i></p> <p>There are potentially three fees that apply to a series of ETC Securities. These are:</p> <ul style="list-style-type: none"> • a product fee • a collateral fee which reflects the cost to the Swap Counterparty of providing collateral under the Swap Agreement and • a swap replication fee • or index fee embedded in the terms of the commodity index. <p>The level of these fees may vary from time to time.</p> <p>The product fee percentage, being specified in the Final Terms (the “Maximum Product Fee Percentage”), or such lower amount as may be determined by the Programme Swap Counterparty from time to time (the “Product Fee Percentage”), will be specified on the website maintained on behalf of the Issuer at www.etc.db.com (or its successor). For most series, the Product Fee Percentage is set at 0.45% per annum. <i>[Issue specific:]</i> [The Product Fee Percentage for this series of ETC Securities is [●]. The Maximum Product Fee Percentage for this series of ETC Securities is [●].] A lower fee than the Maximum Product Fee Percentage may be charged at the discretion of the</p>

		<p>Programme Swap Counterparty.</p> <p>The collateral fee represents the costs to the Swap Counterparty of providing collateral under the Swap Agreement. For gold collateral, the Collateral Fee Percentage is based on the prevailing rate at which gold can be lent between market participants plus a spread specified in the Final Terms (the “Maximum Gold Spread”), or such lower amount as may be determined by the Programme Swap Counterparty and notified to the Issuer, the transaction parties and the securityholders from time to time (the “Gold Spread”) and specified on the website maintained on behalf of the Issuer at www.etc.db.com (or its successor), but will be subject to a minimum of 0.10% per annum. For collateral in the form of eligible financial instruments, the collateral fee will be the maximum collateral fee percentage or a lower fee at the discretion of the Programme Swap Counterparty. The current collateral fee percentage and any proposed change to the percentage shall be published on www.etc.db.com (or its successor). <i>[Issue specific:]</i> [The maximum collateral fee percentage for this series of ETC Securities is [●].]</p> <p>ETC Securities tracking a benchmark index may also have a swap replication fee. The swap replication fee will be the maximum swap replication fee percentage or a lower fee at the discretion of the Programme Swap Counterparty. The swap replication fee and any proposed change to the percentage shall be published on www.etc.db.com (or its successor). <i>[Issue specific:]</i> [The maximum swap replication fee percentage for this series of ETC Securities is [●].] [There is no maximum swap replication fee percentage for this series of ETC Securities.]</p> <p>For ETC Securities tracking indices with roll-optimisation and/or using a currency hedge overlay, an index fee may be charged instead of the swap replication fee. The index fee and any proposed change shall be published on www.etc.db.com (or its successor).</p> <p><i>Performance of the index</i></p> <p>As described above, if the commodity index increases in value by more than the fees charged then this will result in the value per ETC Security increasing. If the commodity index decreases in value (or increases in value by less than the fees charged) this will result in the value per ETC Security decreasing.</p> <p>The index to which a series of ETC Securities relates may be designed to provide long or short exposure to a single commodity or commodity futures contract or to a basket of commodities or commodity futures contracts and may employ leverage.</p> <p>An index:</p> <ul style="list-style-type: none"> • may, in respect of each commodity, reference the spot price of the commodity or the price of one or more commodity futures contracts • may provide long or short exposure • may employ leverage or be unleveraged • may be denominated in the currency in which the relevant commodity or commodity futures contract is typically traded or may be in a different currency, and in the latter case may or may not include some element of foreign exchange hedging (that is, an attempt to reduce the uncertainty caused by foreign exchange rate changes) • may be calculated on an “excess return” or a “total return” basis (with
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C.16	Expiration/ maturity date of derivative securities	<p>The Issuer has the discretion to set the scheduled maturity date of a series of ETC Securities prior to the issue of that series of ETC Securities.</p> <p><i>[Issue Specific:]</i>[The scheduled maturity date of the ETC Securities is [•].]</p>
C.17	Settlement procedure for derivative securities	<p>ETC Securities will be cleared through (i) CREST, (ii) Euroclear Bank S.A./N.V., (iii) Clearstream Banking AG, Frankfurt, (iv) Clearstream Banking, société anonyme or (v) certain other clearing system(s) and will be transferable within such clearing system(s) by reference to whole numbers of ETC Securities only (for these purposes an ETC Security may be referred to as a unit by the relevant clearing system).</p> <p>Uncertificated Registered Securities may be cleared only through CREST.</p> <p><i>[Issue specific:]</i>[The ETC Securities are cleared through [CREST][Euroclear Bank S.A./N.V.][Clearstream Banking AG, Frankfurt][Clearstream Banking, société anonyme][other]]</p>
C.18	Description of return on derivative securities	<p>The ETC Securities are index-linked.</p> <p>On the scheduled maturity date, each ETC Security will become due and payable at the value per ETC Security in respect of the final redemption valuation date (subject to a minimum amount). The value per ETC Security on the series issue date is equal to the issue price per ETC Security. After that, it will increase or decrease in line with any changes to the level of the relevant index, subject to (i) deductions of the accrued fee and (ii) permitted adjustments under the Swap Agreement and the terms and conditions as supplemented or varied accordingly (the “Conditions”).</p> <p>On any early redemption of a series of ETC Securities, such ETC Securities will become due and payable on the relevant early redemption date at the value per ETC Security in respect of the early redemption valuation date (subject to a minimum amount).</p> <p>The value per ETC Security in respect of the final redemption valuation date and early redemption valuation date will be calculated in the same manner as on each scheduled valuation day but, for purposes of determining the</p>

		performance of the underlying commodity index level for the final month, will use an average of the underlying commodity index level across five scheduled valuation days at the end of the final month. This use of an average reduces the effect of any sharp increases or decreases in the commodity index level in that final period.
C.19	Description of exercise price or final reference price of the underlying	The final redemption amount and any early redemption amount will depend on the value per ETC Security in respect of the final redemption valuation date and the early redemption valuation date.
C.20	Description of the type of underlying asset and where information on underlying asset can be found	<p>The underlying index to which a series of ETC Securities is referenced will be a commodity index, and may be designed to provide long or short exposure to a single commodity or commodity futures contract and may employ leverage. Prior to the issue of a series of ETC Securities, the Issuer will select the specific underlying index to which those ETC Securities will be referenced. The complete set of rules of the underlying index and information on the performance of the index are freely accessible on the Issuer's website at www.etc.db.com (or such other website as may be notified to securityholders from time to time) or on the index provider's website.</p> <p><i>[Issue specific:]</i>[The index to which the ETC Securities are linked is [●] and information relating to it can be found at [●].]</p>
Section D — Risks		
D.2	Key information on key risks specific to the Issuer	<ul style="list-style-type: none"> • The Issuer is a special purpose vehicle with no assets other than its paid-up share capital, and the assets on which the ETC Securities are secured. • In respect of a series of ETC Securities, the securityholders and other transaction parties will have recourse only to the Secured Property in respect of the relevant series of ETC Securities and not to any other assets of the Issuer. If, following realisation in full of the Secured Property relating to the relevant series of ETC Securities, any outstanding claim remains unpaid, then such claim will be extinguished and no debt will be owed by the Issuer in respect thereof.
D.6	Key information on key risks specific to the securities	<ul style="list-style-type: none"> • Prospective investors should be aware that they may lose the value of their entire investment or part of it, as the case may be. • The ETC Securities are index-linked securities. The amount payable in respect of a series of ETC Securities and the value per ETC Security of such series is linked to the performance of the underlying commodity index in respect of such series. • The level of an index can go down as well as up and the performance of an index in any future period may not mirror its past performance. • The value per ETC Security, secondary market price and the redemption amount of ETC Securities will primarily be affected by the performance and level of the relevant index, the performance and price of commodities and commodity futures contracts, rate movements, market perception, the creditworthiness of the Swap Counterparty and any third party credit support provider, the nature and value of the relevant Posted Collateral,

		<p>the creditworthiness of the Custodian and any applicable sub-custodian and liquidity in the ETC Securities.</p> <ul style="list-style-type: none"> • The value per ETC Security is subject to the deduction of fees. In addition, the index itself may also be subject to the deduction of fees. • The index to which a series of ETC Securities is linked may reference one or more commodities or commodity futures contracts. However, prospective investors should be aware that an investment in ETC Securities is not the same as an investment in the relevant index or components of the relevant index and that an investment in a commodity index is not the same as investing directly in the underlying physical commodities. • An index sponsor may add, delete or substitute components of an index published by it or make other methodological changes to it, or cease to publish it. A change in the composition or discontinuance of an index could adversely affect the market value of the ETC Securities. • The Issuer and securityholders are exposed to the credit risk of the Swap Counterparty, the Custodian and any sub-custodian and the Authorised Participants. • In certain circumstances, such as where the index is cancelled or modified or where there are disruptions to the trading of commodities or commodity futures contracts or where the Swap Counterparty is not able to adequately protect itself in respect of its risk under the Swap Agreement, one or more adjustments may be made to the Swap Agreement and the Conditions of the ETC Securities as determined by the swap calculation agent. Such adjustment may involve the swap calculation agent and/or the Swap Counterparty exercising discretions. Certain of these circumstances may also lead to a delay in the calculation and publication of the value per ETC Security and/or result in the early redemption of the ETC Securities. • ETC Securities may have a long term and the only means through which an investor can realise value from an ETC Security prior to its scheduled maturity date is to sell it at its then market price in a secondary market transaction. While each Authorised Participant intends to make a market for the relevant series of ETC Securities, no Authorised Participant is obliged to make a market for any series of ETC Securities and an Authorised Participant may discontinue making a market at any time. Furthermore, any market in ETC Securities may not be liquid and the secondary market price (if any) for ETC Securities may be substantially less than the price paid by the investor.
Section E – Offer		
E.2b	Reason for the offer and use of proceeds	The Issuer will use the entire issue proceeds of a series of ETC Securities to make its initial payments under the Swap Agreement with the Swap Counterparty.
E.3	Terms and Conditions of the Offer	The issue price per ETC Security on the Series Issue Date will be the issue price specified below. The issue price per ETC Security for any subsequent Tranche of ETC Securities issued after the Series Issue Date will be equal to the value per ETC Security in respect of the relevant Subscription Trade Date

		<p>relating to such Tranche.</p> <p>[<i>Issue specific:</i>][The issue price per ETC Security on the Series Issue Date is [●].]</p>
E.4	Interests material to the issue/offer including conflicting interests.	<p>Deutsche Bank AG or any Affiliate of Deutsche Bank AG (“Deutsche Bank entities” and each a “Deutsche Bank entity”) has been, or may be, appointed as Arranger, Issuing and Paying Agent, Custodian, Determination Agent, Trustee, Programme Swap Counterparty, Swap Counterparty and Authorised Participant in relation to a series of ETC Securities.</p> <p>Conflicts of interest may exist or arise between such Deutsche Bank entity acting in other capacities and the interests of the Issuer and/or securityholders.</p> <p>A Deutsche Bank entity is the Swap Counterparty and is appointed on an arm's length basis. As Swap Counterparty, the Deutsche Bank entity is allowed to make certain determinations under the swap (for example as to whether to terminate) and any such determination is for their own benefit and without regard to the interests of the securityholders.</p> <p>A Deutsche Bank entity may engage in trading, market-making activities, hedging activities, issue securities or enter into financial instruments in relation to the index, any component of the index and/or assets comprised in the Posted Collateral or act as an issuer, agent, manager, sponsor or underwriter of such securities or other instruments, which may have an adverse effect on the value per ETC Security of the ETC Securities and/or the value of the Posted Collateral securing the Issuer's exposure to the Swap Counterparty.</p> <p>A Deutsche Bank entity may be the sponsor of the index. In such capacity as the index Sponsor, they will have the authority to make determinations that could materially affect the value per ETC Security of the ETC Securities and/or result in a disruption event, adjustment event or swap agreement redemption event. In making any such determinations, the relevant Deutsche Bank entity will do so in accordance with its obligations under the index rules and will not have any regard to whether such determinations have a positive or negative impact on securityholders.</p> <p>If the Determination Agent is a Deutsche Bank entity, potential conflicts of interest may exist between the Determination Agent and the securityholders, including with respect to the exercise of the Determination Agent of its duties and obligations under the relevant Determination Agent Agreement and the Conditions and the exercise of discretion (if any) that is inherent in such duties and obligations. Prospective investors should be aware that any determination made by the Determination Agent may have an impact on the value per ETC Security of the ETC Securities. Determinations made by the Determination Agent (in the absence of manifest error) will be binding on the Issuer and all relevant securityholders.</p>
E.7	Estimated expenses charged to the investor by the Issuer or the Authorised Offeror	<p>There are no estimated expenses charged to the investor by the Issuer. The expenses to be charged by the Lead Authorised Participant (which, for the avoidance of doubt, is Deutsche Bank AG (subject to any replacement)) to the investor is estimated to be in the range of 0.05% - 0.10% of the value per ETC Security of the relevant series at the time of sale. Additional expenses, if any, to be charged to the investor by any other Authorised Offeror will be disclosed by such Authorised Offeror at the time of the relevant offer by such Authorised Offeror to such investor.</p>

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the ETC Securities issued under the Programme. Some of these factors describe potential events which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with ETC Securities issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in ETC Securities issued under the Programme, but the inability of the Issuer to pay any amounts on or in connection with any ETC Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any ETC Securities are exhaustive. Before making an investment decision, prospective purchasers of ETC Securities should consider carefully, in the light of their own financial circumstances and investment objectives, all the detailed information set out elsewhere in this document (including any documents incorporated by reference herein) and, in particular, the considerations set forth below and in the relevant Final Terms in order to reach their own views prior to making any investment decision.

Prospective investors should note that the risks relating to the Issuer and the ETC Securities summarised in the section of this document headed “Summary of the Programme” are risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the ETC Securities. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary of the Programme” but also, among other things, the risks and uncertainties described below.

All capitalised terms used in this section “Risk Factors” shall have the meanings given to them in other sections of this Base Prospectus, unless otherwise defined in this section “Risk Factors” of this Base Prospectus.

Risks relating to the potential loss of investment

The ETC Securities are not principal protected. Their Final Redemption Amount and Early Redemption Amount depend on the Value per ETC Security, which in turn depends on the performance of the underlying commodity Index. Investors may lose some or all of their investment in the following circumstances:

- the relevant commodity Index falls in value (or does not perform well enough to offset the deduction of fees) — the greater the fall in value of the commodity Index, the greater the loss of an investor's investment
- investors sell their ETC Securities prior to their maturity and the sale price of the ETC Securities in the secondary market is less than the investor's initial investment
- the Swap Counterparty defaults in the performance of its obligations under the Swap Agreement and the Posted Collateral is not sufficient to cover amounts unpaid by the Swap Counterparty
- the Issuer is subject to an insolvency process or some other event impairing its ability to meet its obligations under the ETC Securities.

The ETC Securities are not protected by the Financial Services Compensation Scheme or any other government or private protection scheme.

Risks relating to the liquidity and trading of the ETC Securities

Market price of the ETC Securities

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the ETC Securities. Investors should note that general movements in markets and factors that affect the investor climate and investor sentiment may have different effects on each Series of ETC Securities.

The market price of the ETC Securities will be affected by a number of factors, including, but not limited to:

- (i) the value and volatility of the commodity Index referenced by the ETC Securities;
- (ii) the value and volatility of commodities and commodities futures contracts;
- (iii) market perception, interest rates, yields and foreign exchange rates;
- (iv) the nature and value of the Swap Agreement, the Credit Support Deed and any other Credit Support Document relating to the relevant Series of ETC Securities;
- (v) the creditworthiness of the Swap Counterparty and any Credit Support Provider relating to a Series of ETC Securities;
- (vi) the nature and value of the Posted Collateral under the relevant Credit Support Deed relating to the relevant Series of ETC Securities;
- (vii) the creditworthiness of the Custodian, any applicable Sub-Custodian and the Authorised Participants; and
- (viii) liquidity in the ETC Securities.

Prospective investors should be aware that the Value per ETC Security and the secondary market price of the ETC Securities can go down as well as up throughout the term of the ETC Securities. Commodity and commodity futures contracts prices are generally more volatile than prices in other asset classes and the secondary market price of the ETC Securities may demonstrate similar volatility. Prospective investors should be aware that the Value per ETC Security and market price of the ETC Securities on any Scheduled Valuation Day may not reflect their prior or future performance. There can be no assurance as to the future value and market price of the ETC Securities.

The secondary market and limited liquidity

The ETC Securities do not accrue and pay interest (other than default interest which may be payable in limited circumstances). Investors will not receive any payments under the Conditions in respect of the ETC Securities prior to the Scheduled Maturity Date unless the ETC Securities redeem early. The ETC Securities may have a long term and the only means through which an investor can realise value from an ETC Security prior to its Scheduled Maturity Date is to sell it at its then market price in a secondary transaction.

The price at which an investor may be able to sell ETC Securities at any time prior to their Scheduled Maturity Date may be substantially less than the price paid by the investor. This may occur (amongst other reasons) as a result of there being limited liquidity for the ETC Securities, the Value per ETC Security being less than the Value per ETC Security of the ETC Securities at the time the investor purchased the ETC Securities or the Index not having performed sufficiently to increase or maintain the Value per ETC Security of the ETC Securities by such amount as is necessary to negate the Accrued

Fee since the time the investor purchased the ETC Securities. The Value per ETC Security and/or market price of the ETC Securities may be volatile and may fall rapidly and investors may not be able to sell their ETC Securities quickly and/or at a price such that the investor is able to prevent or minimise any loss of their investment.

Prospective investors should be aware that the liquidity in Series of ETC Securities which are not listed and exchange-traded may be less than for Series of ETC Securities which are exchange-traded as a Securityholder will only be able to sell ETC Securities to the Authorised Participant(s) for the relevant Series or in off-exchange secondary market transactions and will not be able to sell such ETC Securities in secondary market transactions on an exchange.

While each Authorised Participant appointed in respect of the Programme and/or a Series of ETC Securities intends to make a market for the relevant Series of ETC Securities in respect of which it is appointed as an Authorised Participant, no Authorised Participant is obliged to make a market for any Series of ETC Securities (including Series in respect of which it is appointed as an Authorised Participant) and Authorised Participants may discontinue making a market at any time and/or may make a market on a different platform or offer only one way markets. Furthermore, any market in the ETC Securities may not be liquid.

Prospective investors should note that:

- (i) the number of ETC Securities subject to any offer made by an Authorised Participant or otherwise in the secondary market may be affected by market demand for the ETC Securities, the number of ETC Securities in issue, whether subscriptions can be processed and prevailing market conditions;
- (ii) the bid or offer price offered by an Authorised Participant or any other seller or purchaser may be less than the current Value per ETC Security of the ETC Securities. In addition, any such price may be subject to fees, charges, duties, taxes and/or commissions;
- (iii) they may not be able to sell their ETC Securities quickly, easily or at prices that will provide them with a yield comparable to other investments;
- (iv) any price at which the ETC Securities may be sold prior to the Scheduled Maturity Date may be at a discount, which could be substantial, to the price at which the ETC Securities were acquired by the relevant investor; and
- (v) illiquidity may have a severely adverse effect on the market price of ETC Securities.

Prospective investors should be aware that not all market participants and Authorised Participants will determine the price of the ETC Securities in the same manner, and the variation between such valuations and prices quoted may be substantial. Accordingly, any prices provided by an Authorised Participant may not be representative of prices that may be provided by other market participants.

Prospective investors should be aware that ETC Securities requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time. Investors should not assume that ETC Securities will automatically be placed with investors by the relevant Authorised Participant(s) immediately upon issue. To the extent that the Authorised Participants hold ETC Securities at any time, they may exercise their rights under them in such manner as they see fit in their own interests and need not have regard to the interests of other holders of ETC Securities or any other person. In particular, the Authorised Participants may vote at any meeting of holders of ETC Securities or approve any resolution as they see fit (including with respect to any changes to the terms of the ETC Securities proposed by the Issuer).

Risks relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer is not an operating company. The Issuer is a special purpose vehicle with the sole business of issuing ETC Securities. As such, the Issuer has, and will have, no assets other than (i) the small sums of money raised by issuing shares on the date of its incorporation, (ii) such fees (if any) as are payable to it in connection with the issue of any Series of ETC Securities from time to time, (iii) any amounts standing to the credit of the Reserve Trust Account and (iv) any rights, property or other assets on which Series of ETC Securities issued under the Programme are secured. This means that if the assets on which a Series of ETC Securities are secured are not sufficient to meet sums payable by the Issuer in respect of that Series, there are no other assets that are available to the Issuer to make those payments. In such circumstances, the holders of ETC Securities would not receive the amounts owing to them in full.

Limited recourse obligations, non-petition and related risks

In respect of a Series of ETC Securities, the Transaction Parties and the Securityholders will have recourse only to the Secured Property in respect of the relevant Series of ETC Securities, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property relating to the relevant Series of ETC Securities (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 6, any outstanding claim against the Issuer in respect of such Series of ETC Securities remains unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. Following such extinguishment, none of the Transaction Parties, the Securityholders or any other person acting on behalf of any of them will be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt will be owed to any such persons by the Issuer in respect of such further sum.

None of the Transaction Parties, the Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them will have any claim arising with respect to the assets and/or property attributable to any other securities issued by the Issuer (save for any further securities which form a single series with the ETC Securities).

Assets held in relation to any particular Series of ETC Securities are not available to satisfy the claims of holders of a different Series of ETC Securities. For the avoidance of doubt, any amounts standing to the credit of the Reserve Trust Account are provided to the Issuer by the Arranger to be applied towards the costs, charges, fees or expenses incurred or to be incurred by the Issuer (including, without limitation, operating costs and expenses of the Issuer and the fees of the directors and corporate administrator and legal, accounting, audit, advisory or management fees and expenses) following the occurrence of an Arranger Bankruptcy Event. Such sums are held on trust for the Arranger and are not available to the Securityholders, Secured Creditors or Other Creditors of any Series of ETC Securities or to any general creditors of the Issuer.

There is also the risk that the Issuer may become subject to claims or other liabilities (whether in respect of the ETC Securities) which are not themselves subject to limited recourse or non-petition limitations.

No person other than the Issuer will be obliged to make payments on the ETC Securities of any Series and the ETC Securities issued under the Programme will not be guaranteed by, or be the responsibility of, any other entity. In particular, the ETC Securities (i) do not represent an interest in and will not be obligations of, or insured or guaranteed by, the Arranger, any Transaction Party or any Affiliate or any company associated with any of them, (ii) will not have the status of a bank deposit and will not be within

the scope of any deposit protection scheme and (iii) are not insured or guaranteed by any government, government agency or other body.

Insolvency

The Issuer has agreed not to engage in activities other than the issue of ETC Securities and related and incidental matters. Any issue of ETC Securities must be on terms that provide for the claims of the Securityholders and Transaction Parties in respect of such ETC Securities to be limited to the proceeds of the assets on which such ETC Securities are secured (see “*Limited recourse obligations, non-petition and related risks*” above). In addition, there are restrictions on the Securityholders and Transaction Parties bringing insolvency proceedings against the Issuer (see “*Limited recourse obligations, non-petition and related risks*” above). If such provisions are upheld, it would be unlikely that the Issuer could become insolvent.

However, notwithstanding the restrictions described in Condition 7 and the limited recourse and non-petition provisions, should the Issuer have outstanding liabilities to third parties which it is unable to discharge or should the limited recourse or non-petition provisions be found to be non-enforceable in a particular jurisdiction and as a result the Issuer becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of Securityholders and may prevent Securityholders from enforcing their rights or delay such enforcement. In particular, depending on the jurisdiction concerned and the nature of the assets and security, the Security created in favour of the Trustee may be set aside or ranked behind certain other creditors and the assets subject to such security may be transferred to another person free of such Security.

In addition, certain jurisdictions have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions the rights of the Trustee to enforce the Security or of the Issuer (or the Liquidation Agent on its behalf) to enforce the security under the Credit Support Deed or to enforce the Issuer’s rights under any other Credit Support Document may be limited or delayed by such procedures.

No regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorised under the securities, commodities or banking laws of that jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could have an adverse impact on the Issuer or the holders of ETC Securities.

Collective investment scheme

The ETC Securities are debt securities and do not take the form of a collective investment scheme or fund. There can be no assurance that the courts or regulatory authorities in any jurisdiction would not recharacterise the ETC Securities as units in a collective investment scheme or a fund. Any recharacterisation of the ETC Securities as units in a collective investment scheme or a fund may have adverse consequences (including, without limitation, adverse tax consequences) for an investor.

Regulatory Events

The global financial crisis of 2008 onwards led to an increased regulation of financial activities. The United States of America, the European Union and other jurisdictions have implemented, and are still in the process of implementing, various reform measures. Such regulatory changes and the method of their implementation may have a significant effect on the operation of financial markets. In many cases, it is uncertain how such regulatory reform would affect the Issuer, the treatment of instruments such as the

ETC Securities or the activities of other parties that have roles with respect to the ETC Securities, such as (without limitation) the Programme Counterparty, the Arranger and the Trustee. Investors should note that the Issuer has a general right to redeem the ETC Securities (see *“Risks Relating to the Contractual Features of the ETC Securities” – “Issuer Call Option”*) and the Programme Counterparty has a general right to terminate the Balancing Agreement relating to a Series of ETC Securities (see *“Risks Relating to the Contractual Features of the ETC Securities” – “Programme Counterparty termination option”*) which would lead to an early redemption of the relevant ETC Securities. The impact (or likely or proposed impact) of regulatory reform may lead the Issuer or the Programme Counterparty to exercise such right.

One example of an area of regulatory change that might affect the issuer is EU Directive 2011/61/EU on Alternative Investment Fund Managers (**“AIFMD”**), which became effective on 22 July 2013. This provides, amongst other things, that all alternative investment funds (each, an **“AIF”**) must have a designated alternative investment fund manager (**“AIFM”**) with responsibility for portfolio and risk management. The application of the AIFMD to special purpose entities such as the Issuer is unclear and the interpretation may differ from jurisdiction to jurisdiction. The Issuer does not operate in the same manner as a typical alternative investment fund. The Issuer has been established solely for the purpose of issuing asset backed securities. The object of the Issuer is the issuance of one or more financial instruments and entry into certain other agreements and transactions in connection with such activity. However, the definition of AIF and AIFM in the AIFMD is broad and there is only limited guidance as to how such definition should be applied in the context of a special purpose entity such as the Issuer.

Were the Issuer to be found to be an AIF or an AIFM, or were the Programme Counterparty or any other service provider to the Issuer and/or the Trustee to be found to be acting as an AIFM with respect to the AIF, the AIFM would be subject to the AIFMD. Owing to the special purpose nature of the Issuer, it would be unlikely that either the AIF or the AIFM could comply fully with the requirements of the AIFMD.

In such circumstance, either the Issuer or the Programme Counterparty might (at its discretion) exercise its early redemption or termination rights, or the Issuer might take alternative action to limit the effect of the AIFMD upon it or any service provider to it. Examples may include, without limitation, delisting ETC Securities or no longer offering securities in particular jurisdictions.

No assurance can be given as to how ESMA or national regulators might interpret the AIFMD or whether any such interpretation might find the Issuer to be an AIF or an AIFM, or find any service provider in any capacity in respect of the ETC Securities and/or the Trustee to be acting as an AIFM with respect to the Issuer.

In addition to the AIFMD, there may be other regulatory changes which impact the Issuer, the Programme Counterparty and/or the ETC Securities. There can be no assurance that such an event will not occur and investors should be aware that, should such an event occur, it may lead to an early redemption of the ETC Securities.

Risks relating to the contractual features of the ETC Securities

Delay or non-publication of Value per ETC Security

A Value per ETC Security in respect of a Scheduled Valuation Day may not be published or the publication thereof may be delayed if a Disruption Event or an Adjustment Event occurs. In certain circumstances where the Value per ETC Security in respect of a Scheduled Valuation Day might otherwise not be calculated, the Value per ETC Security will be deemed to be equal to the Value per ETC Security determined in respect of a preceding Scheduled Valuation Day in respect of which a Value per ETC Security was determined and published for the purposes of the ETC Securities. Any such delay or non-publication may affect the amounts payable in respect of the ETC Securities on a final or early redemption, and may affect the secondary market price for an ETC Security or the availability of purchasers in the secondary market.

Change in Fee Levels

The Programme Swap Counterparty has certain discretions to adjust the levels of the Collateral Fee Percentage, the Product Fee Percentage and the Swap Replication Fee Percentage (if any). This may potentially result in higher fees being applied which would reduce the return for holders of ETC Securities.

Issuer call option

The Issuer may at any time elect to redeem all the ETC Securities of a Series and designate an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date may not be earlier than the 60th calendar day following the date of the relevant notice from the Issuer. In such circumstances the ETC Securities of such Series will be redeemed at their Early Redemption Amount per ETC Security on the relevant Early Redemption Date. There can be no assurance that the Value per ETC Security determined in respect of the related Early Redemption Valuation Date following any such exercise will be such that the Early Redemption Amount is greater than or equal to the amount invested by an investor in the ETC Securities.

Swap Counterparty termination option

The Swap Counterparty relating to a Series of ETC Securities may, on giving not less than 60 calendar days' irrevocable notice to the Issuer, elect to terminate the Swap Transaction relating to such Series of ETC Securities. Such notice may only be delivered if no Swap Counterparty Event of Default (or event which, with the giving of notice or the lapse of time or both, would constitute a Swap Counterparty Event of Default) or Swap Counterparty Termination Event has occurred and is continuing under the Swap Agreement. In connection with such election, upon the termination of the Swap Transaction an Early Redemption Event will occur and the ETC Securities of that Series will become due and payable at their Early Redemption Amount per ETC Security on the relevant Early Redemption Date. The Swap Counterparty shall not and is not required to consider the interests of Securityholders when exercising any such termination right. There can be no assurance that the Value per ETC Security on the related Early Redemption Valuation Date arising in connection with the exercise of such termination right will be such that the Early Redemption Amount is greater than or equal to the amount invested by an investor in the ETC Securities.

Scheduled term of Swap Transaction is less than the term of the ETC Securities

The Swap Transaction relating to the ETC Securities may have a scheduled term that is less than the term of the ETC Securities. No later than 90 calendar days prior to the last day of the initial term or previously extended term of the Swap Transaction, as applicable, the Swap Counterparty will, pursuant to the terms of the Swap Agreement, elect either to extend the term of the Swap Transaction for such additional period as may be agreed between the Issuer and the Swap Counterparty (provided that such additional period is not less than one calendar year and not more than the period remaining to the Scheduled Maturity Date of the relevant ETC Securities) or for the Swap Transaction to terminate when scheduled. The Swap Counterparty has no obligation to consider the interests of the Securityholders when deciding whether or not to extend the term of the Swap Transaction. If the Swap Counterparty does not elect to extend the term of the Swap Transaction, an Early Redemption Event will occur on the scheduled termination date of the Swap Transaction and the ETC Securities of that Series will become due and payable at their Early Redemption Amount per ETC Security on the relevant Early Redemption Date. The Swap Counterparty shall not and is not required to consider the interests of Securityholders when making any such election. There can be no assurance that the Value per ETC Security determined in respect of the related Early Redemption Valuation Date arising in connection with any such election for the Swap Transaction to terminate will be such that the Early Redemption Amount is greater than or equal to the amount invested by an investor in the ETC Securities.

Events of Default and other Early Redemption Events

In addition, the ETC Securities of a Series may become due and payable prior to their Scheduled Maturity Date as further described in Conditions 8 and 14 in connection with the occurrence of any of the following events:

- (i) certain legal or regulatory changes occur in relation to the Issuer;
- (ii) the cancellation of the Index without any successor Index;
- (iii) the termination of the Swap Agreement, whether as a result of a default by one of the parties, for tax reasons, as a result of illegality or a force majeure event or for other reasons;
- (iv) the Determination Agent, the Issuing and Paying Agent, the Programme Swap Counterparty, the Custodian, the Registrar (in the case of ETC Securities in registered form), the Lead Authorised Participant and/or all the Authorised Participants, as applicable, resign or their appointment is terminated for any reason and the Issuer gives notice that no successor or replacement has been appointed within 60 calendar days;
- (v) the Value per ETC Security for such Series is not published for 14 consecutive days on which it is scheduled to be published;
- (vi) the Value per ETC Security is less than or equal to 10 per cent. of the Issue Price as at the Series Issue Date of the first ETC Securities of a Series for two consecutive non-disrupted business days;
- (vii) a Securityholder does not, upon request, receive a firm bid price from an Authorised Participant for five consecutive non-disrupted business days and, following the requisite notices being given, such Securityholder does not receive a firm bid price for the relevant ETC Securities during a further 20 consecutive non-disrupted business days; or
- (viii) an Event of Default occurs under the ETC Securities. These include certain breaches by the Issuer of its obligations that are not cured within the applicable cure period and certain insolvency events with respect to the Issuer.

Following the occurrence of an Early Redemption Event or an Event of Default under the Conditions of the relevant Series of ETC Securities, such Series of ETC Securities will become due and payable at the Early Redemption Amount per ETC Security. This may be less than an investor's investment, and potentially substantially less.

Under the Swap Agreement, the Issuer pays the entire proceeds from the issue of any ETC Securities to the Swap Counterparty upon receipt. The Issuer will fund payment of any Early Redemption Amount per ETC Security under a Series of ETC Securities from a payment due to it under the relevant Swap Agreement. Its ability to make the payments due under the Conditions relating to the ETC Securities on their early redemption is entirely dependent on its receipt of the relevant payment under the relevant Swap Agreement. Accordingly, the Issuer and the Securityholders of a Series are exposed to the creditworthiness of the relevant Swap Counterparty to the extent of the entire Early Redemption Amount. If the Swap Counterparty does not pay in full to the Issuer the amount payable due in connection with the early redemption of the ETC Securities under the relevant Swap Agreement when due the Issuer may (subject to the terms of the Credit Support Deed) enforce the security under the Credit Support Deed and/or (subject to the terms of any applicable guarantee) enforce any applicable guarantee of any Credit Support Provider provided in respect of the relevant Swap Counterparty's obligations and/or the Security under the ETC Securities may become enforceable. However, if, following the realisation in full of the Secured Property relating to the relevant Series of ETC Securities (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 6, there are any outstanding claims against the Issuer in respect of such Series of ETC Securities which remain unpaid,

then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances investors in the ETC Securities may not receive back their investment and may receive zero.

Taxation and no gross-up

Each Securityholder will assume and be solely responsible for any and all Taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local Taxes or other like assessment or charges that may be applicable to any payment to it in respect of the ETC Securities. In the event that any withholding or deduction for or on account of Tax is imposed on payments on the ETC Securities, the Securityholders will be subject to such tax or deduction and will not be entitled to receive amounts to compensate for such withholding or deduction. No Event of Default will occur as a result of any such withholding or deduction.

Transfers of Posted Collateral and payments made to the Issuer under the Swap Agreement in relation to a Series of ETC Securities and/or in connection with the transfer or disposal of Eligible Collateral or Posted Collateral under the Credit Support Deed relating to a Swap Agreement and a Series of ETC Securities may be subject to charges, withholding or deduction for, or on account of, Taxes (including without limitation, on the realisation, transfer or other disposal of any Posted Collateral in connection with the enforcement of the security created in favour of the Issuer under the Credit Support Deed). In such circumstances the sums available to the Issuer (and/or the Trustee) to pay the Final Redemption Amount or the Early Redemption Amount may not be sufficient to satisfy in full the claims of the Securityholders and all creditors whose claims rank in priority to those of the Securityholders.

The Issuer may become liable for Tax charges whether by direct assessment or withholding. If any such event occurs as a result of a change in law or regulation that materially increases the cost to the Issuer of performing its obligations under the ETC Securities and/or the Swap Agreement and/or the Credit Support Deed or makes it illegal for the Issuer to do the same or to hold, acquire or dispose all of the types of Eligible Collateral, the ETC Securities may become subject to early redemption.

Meetings of Securityholders, resolutions, modification, waivers and substitution

The Trust Deed contains provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting or in respect of the relevant resolution and Securityholders who voted in a manner contrary to the majority. As a result, you may be bound by a change to the Conditions or by some other decision that affects your investment in the ETC Securities even though you have not agreed to such change.

In addition, to the extent that the consent of the Trustee is required under the Conditions or the Trust Deed, the Trustee may, in certain circumstances and without the consent of Securityholders, (i) agree to certain modifications of, or the waiver or authorisation of any breach or proposed breach of, the Conditions or any of the provisions of the Trust Deed, the Security Deed, the Swap Agreement and/or the Credit Support Deed and/or any other Transaction Document to which the Trustee is a party, (ii) determine that any Event of Default or Potential Event of Default will not be treated as such or (iii) agree to the substitution of another company as principal obligor under any ETC Securities in place of the Issuer provided that such waiver or substitution is not, in the opinion of the Trustee, materially prejudicial to the interests of the Securityholders. To the extent that the consent of the Trustee is required under the Conditions or the relevant Trust Deed, the Trustee may also agree, without the consent of the Securityholders, to any modification to the Conditions, the Trust Deed, the Security Deed, the Swap Agreement and/or the Credit Support Deed which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error. Any such action by the Trustee as is described in this paragraph may result in your being bound by a change to the Conditions or by some other decision that affects your investment in the ETC Securities even though you have not agreed to such change.

Prospective investors should note that in certain circumstances the Issuer and the relevant Transaction Party may take certain actions and certain amendments may be made to the terms of the ETC Securities and/or the relevant Transaction Documents without the requirement for the approval of Securityholders by way of an Extraordinary Resolution of Securityholders or the consent of the Trustee. Again, this may result in your being bound by a change to the Conditions or by some other decision that affects your investment in the ETC Securities even though you have not agreed to such change.

These include (without limitation):

- (i) the transfer of Posted Collateral to the Swap Counterparty under the Credit Support Deed and the related release of Security provided such transfer and release is effected in accordance with the terms of the Credit Support Deed;
- (ii) the substitution of the Posted Collateral pursuant to Condition 11(d) and amendments and/or supplements to the Custody Agreement in connection therewith;
- (iii) changes to the components of the Accrued Fee at any time;
- (iv) adjustment(s) to the Conditions of the ETC Securities pursuant to Condition 9(e);
- (v) the appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);
- (vi) the substitution of the relevant Index with a Successor Index pursuant to Condition 10;
- (vii) the transfer, novation or assignment of the relevant Swap Agreement and/or the relevant Credit Support Deed pursuant to Condition 11(b),
- (viii) the increase of the Programme Maximum Number of ETC Securities;
- (ix) the amendment of Annex 2 to the Conditions; and
- (x) the amendment(s) to any term of the Conditions or any Transaction Document which relate to an operational or procedural issue.

Securityholder directions

The Conditions of the ETC Securities permit the holders of one-fifth or more of the outstanding number of ETC Securities of a Series (determined on an outstanding (actual) basis) following the occurrence of an Event of Default, a Publication Failure Event, a Swap Counterparty Event of Default and at any time after the Security has become enforceable to direct the Trustee to deliver a notice or take such other action in accordance with the Conditions, whereupon that Series of ETC Securities will become due and payable at their Early Redemption Amount on the relevant Early Redemption Date and/or the Security will be enforced by the Trustee, as applicable. Prospective investors should be aware, however, that the Trustee will not however be obliged to take any step or action or to act in accordance with any such direction unless the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction by one or more Securityholders. This may result in a delay in any step or action being taken by the Trustee and, if the Securityholders cannot put adequate arrangements in place, in no step or action being taken by the Trustee.

Exchange rates and exchange controls

The Issuer will make payments in respect of the relevant Series of ETC Securities in the Specified Currency. This will create currency conversion risks if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that

authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent return on the ETC Securities, (ii) the Investor's Currency-equivalent value of the amount(s) payable on the ETC Securities and (iii) the Investor's Currency-equivalent market value of the ETC Securities.

Risks relating to the Swap Counterparty, the Credit Support Provider and the Posted Collateral

Risks relating to the Swap Counterparty

The ability of the Issuer to make payment of an amount equal to the Value per ETC Security as part of the Final Redemption Amount or Early Redemption Amount, as applicable, is dependent on its receipt in full from the Swap Counterparty of payments due under the Swap Agreement. Accordingly, the Issuer and the Securityholders are exposed to the creditworthiness of the Swap Counterparty to the extent of any Final Redemption Amount or Early Redemption Amount which becomes due and payable under the relevant Series of ETC Securities. To the extent the Issuer does not receive the relevant payment in full under the Swap Agreement the provisions of Condition 6 will apply with respect to the enforcement of the Issuer's rights against the Posted Collateral under the Credit Support Deed and its rights under any other Credit Support Document and the payment of any proceeds of any such enforcement will be made in accordance with Condition 6. Such payments under the ETC Securities are also subject to the limited recourse provisions of Condition 6(g). Consequently, in certain circumstances, the Securityholders may not receive in full the Final Redemption Amount or Early Redemption Amount, as applicable, payable in respect of an ETC Security.

Transfer of Swap Agreement and Swap Transaction and/or Credit Support Deed

The Swap Counterparty may (subject to certain conditions) novate, assign or otherwise transfer the Swap Agreement and the Swap Transaction thereunder and/or the Credit Support Deed to a single Eligible Counterparty. In such circumstances the Issuer and therefore the Securityholders will be exposed to the creditworthiness of the transferee rather than the creditworthiness of the Swap Counterparty. However, a transferee will only be an Eligible Counterparty if it has a rating equal to or higher than the lower of the long-term issuer ratings given to the original Swap Counterparty as at the relevant Series Issue Date by the Rating Agencies as specified in the relevant Final Terms (or the equivalent rating from any other Rating Agency).

Risks relating to the Credit Support Deed and the Posted Collateral

In connection with the Swap Agreement entered into by the Issuer in relation to a Series of ETC Securities, the Issuer will enter into a separate English law security agreement in the form of a Credit Support Deed with the Swap Counterparty. The Credit Support Deed provides the mechanism by which assets are transferred to the Issuer and security interests over such assets granted by the Swap Counterparty in favour of the Issuer in order to secure the obligations of the Swap Counterparty to the Issuer under the Swap Agreement. Assets transferred to the Issuer under the Credit Support Deed relating to a Series of ETC Securities may be subject to volatility in their prices and subject to credit and liquidity risks. No investigations, searches or other enquiries will be made by or on behalf of the Issuer in respect of the Posted Collateral and no representations or warranties, express or implied, are or will be given by the Issuer to Securityholders in relation to any Posted Collateral.

The Issuer is exposed to movements in the value of the Swap Transaction and the Posted Collateral and to the creditworthiness of the Swap Counterparty and any obligor of Eligible Financial Instruments.

The value of the Swap Transaction to the Issuer and the value of the related Posted Collateral relating to a Series of ETC Securities may increase or decrease from time to time during the term of the relevant Series of ETC Securities. If the value of the Swap Transaction to the Issuer increases and/or the value of

the Posted Collateral decreases, the Issuer may demand the transfer to it of additional Eligible Collateral. In such circumstances there may be a period prior to the transfer of the additional Eligible Collateral in which the value of the assets transferred to the Issuer under the Credit Support Deed is less than the amount that would be payable by the Swap Counterparty to the Issuer if the Swap Agreement were to terminate. The value of the assets transferred to the Issuer under the Credit Support Deed may also be less than the Issuer's exposure to a Swap Counterparty if the additional Eligible Collateral is not transferred to the Issuer when required.

If the Swap Agreement terminates and the Swap Counterparty does not pay in full the amount payable to the Issuer under the Swap Agreement when due, the Issuer will (subject to the terms of the Credit Support Deed) be entitled to enforce the security under such Credit Support Deed and sell the Posted Collateral. Certain Taxes (including, without limitation, VAT) may be applicable to a sale of the Posted Collateral and reduce the sums available to the Issuer to satisfy the claims of the Securityholders and all creditors whose claims rank in priority to those of the Securityholders under the ETC Securities.

There can be no assurance that the net proceeds from the enforcement of the security under the relevant Credit Support Deed will generate sufficient funds to cover the amounts owed by the Swap Counterparty to the Issuer since the market value of the Posted Collateral against which the security is enforced will be affected on a daily basis by a number of factors including but not limited to (i) if the Posted Collateral comprises Gold, the volatility in the price of Gold, (ii) if the Posted Collateral includes securities, the creditworthiness of the issuers thereof and the time remaining to the scheduled maturity of such securities, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the liquidity of the assets comprising the Posted Collateral, (v) the time it takes to enforce, obtain and realise the Posted Collateral and (vi) any Taxes, fees, costs and expenses deducted, withheld or required to be paid in connection with the enforcement of the security and the realisation of the Posted Collateral under the relevant Credit Support Deed.

If the net proceeds from the enforcement of the security under the relevant Credit Support Deed are insufficient to cover the amounts owed by the Swap Counterparty to the Issuer, the Issuer will have an unsecured claim against the Swap Counterparty. The Issuer and/or the Trustee may, in certain circumstances, pursue a claim against such Swap Counterparty subject to being pre-funded, secured and/or indemnified to its or their satisfaction by the Securityholders of the relevant Series of ETC Securities prior to taking any such action. Any sums realised from such an action will be applied in accordance with the order of priority specified in the Conditions. It would be extremely unlikely that any such action would recover sufficient amounts to enable the full Early Redemption Amount to be paid to Securityholders and prospective investors should not place any reliance on being able to recover all or some only of the unsecured claim. Therefore, Securityholders of a Series are exposed to the creditworthiness of the Swap Counterparty. In respect of a Series of ETC Securities, Deutsche Bank AG has been, or may be, appointed as Swap Counterparty. In such case, Securityholders would be exposed to the creditworthiness of Deutsche Bank AG.

Posted Collateral comprising Gold

None of the Issuer, the Arranger or any Transaction Party independently confirms the fineness or weight of any Posted Collateral comprising Gold transferred to the Issuer under any Credit Support Deed relating to any Series of ETC Securities. There can be no assurance that the net proceeds from the enforcement of the security under the relevant Credit Support Deed will generate sufficient funds to cover the amounts owed by the Swap Counterparty to the Issuer as:

- (i) the Posted Collateral comprising Gold transferred to the Issuer under any Credit Support Deed relating to any Series of ETC Securities may be different from the reported fineness or weight required by the standard of the LBMA for bars of gold delivered in settlement of transactions in gold; and

- (ii) VAT may, in certain circumstances, be chargeable upon a disposal of Gold.

In such circumstances, there is an increased probability that the value of the Posted Collateral and the proceeds of realisation of the Gold comprising the Posted Collateral will prove insufficient to cover the amounts owed by the Swap Counterparty to the Issuer.

Determination under the Swap Agreement

Pursuant to the terms of the Swap Agreement, the Swap Counterparty and the Swap Calculation Agent may make determinations which:

- (i) have an adverse effect on the Value per ETC Security of the ETC Securities; and/or
- (ii) lead to the ETC Securities becoming due and payable prior to their Scheduled Maturity Date; and/or
- (iii) lead to the postponement of the calculation and publication of the Value per ETC Security and/or the calculation and payment of the Final Redemption Amount or Early Redemption Amount and/or the settlement of the issue or purchase of any ETC Securities.

In making determinations under the Swap Agreement, the Swap Counterparty owes no duty to the Securityholders of the relevant ETC Securities, will act for its own account, may exercise any discretion in its own interests and will not and is not required to take into account the interests of the Issuer or any Securityholder of the relevant ETC Securities. In making determinations under the Swap Agreement, the Swap Calculation Agent will make such determination in good faith and a commercially reasonable manner. The Swap Calculation Agent owes no duties to the Securityholders of the relevant ETC Securities and is not required to take their interests into account.

Disruption Events

If, under the Swap Agreement relating to a Series of ETC Securities, the Swap Counterparty gives a Disruption Event Notice in respect of a Scheduled Valuation Day, the publication of the Value per ETC Security in respect of such Scheduled Valuation Day will be postponed and the Value per ETC Security will be determined using the Closing Index Level determined in respect of such Scheduled Valuation Day by the Swap Calculation Agent in accordance with the provisions of the Swap Agreement. Such determination may not be for a number of days. Investors should be aware that the Closing Index Level determined by the Swap Calculation Agent may differ from the official closing index level (if any) determined and published by the relevant Index Sponsor in respect of such Scheduled Valuation Day.

The delivery of a Disruption Event Notice by the Swap Counterparty and the determinations of the Swap Calculation Agent under the Swap Agreement (including, without limitation, the calculation of the Closing Index Level) may have an adverse effect on the Value per ETC Security and on the timing of its calculation and publication and may result in an adjustment to the Conditions of the ETC Securities and/or the early redemption of the ETC Securities.

Adjustment Events

The Swap Counterparty may, on any Scheduled Valuation Day, determine that an Adjustment Event has occurred or exists and deliver an Adjustment Event Notice in connection therewith. The Adjustment Events include (i) the Index Sponsor cancelling the Index and a Successor Index being identified; (ii) the Index Sponsor announcing that it will make a material change in the formula for, or the method of, calculating the Index or in any other way materially modifying the Index; and (iii) the occurrence of a Disruption Event.

If an Adjustment Event Notice is delivered, the Swap Calculation Agent may determine in good faith and in a commercially reasonable manner that an adjustment to one or more terms of the Swap Agreement is appropriate to account for the economic effect on the Swap Transaction of the relevant Adjustment

Event. If the Swap Calculation Agent makes such a determination, it will determine the adjustment(s) to the terms of the Swap Agreement, the Swap Transaction and to the Conditions of the ETC Securities in connection therewith and the effective date of such adjustment(s). There can be no assurance that any such adjustment made to the Conditions of the ETC Securities to account for the economic effect of an Adjustment Event will not have an adverse effect on the Value per ETC Security of the ETC Securities.

Risks relating to the Index

Index-linked securities

The ETC Securities are index-linked securities. Prospective investors should be aware that the level of an Index can go down as well as up and that the performance of an Index in any future period may not mirror its past performance. There can be no assurance as to the future performance of any Index to which the ETC Securities are linked.

The ETC Securities may trade quite differently from the performance of the Index to which the ETC Securities are linked and changes in the level of the Index may not result in a comparable change in the market price or in the Value per ETC Security of the ETC Securities.

Not an investment in underlying physical commodities

The Index to which a Series of ETC Securities is linked may reference one or more commodities or commodity futures contracts. However, prospective investors should be aware that an investment in the ETC Securities is not the same as a direct investment in the relevant physical commodities. As a result, changes in the price of the physical commodities contained in a commodities index will not necessarily result in correlated changes in the level of the commodities index, or will not necessarily change to the same degree. In addition, the rules for calculation of the Index may include deductions for fees, may include a currency hedging component and/or other factors that affect how closely the Index tracks the price of the physical commodities referenced by the Index or the underlying commodity futures contracts referenced by the Index, as the case may be, and may also permit the Index Sponsor to make certain adjustments to the level of the Index. Any such deductions and adjustments may cause the level of the Index to diverge from the price of the physical commodities referenced by the Index or the underlying commodity futures contracts referenced by the Index, as the case may be.

Impact of Rolling

Where a commodity Index references commodity futures contracts, any “roll” mechanism may cause the value of a commodity index to change even at times when the spot price of the commodity stays the same or can cause the value of a commodity index to change in a different way than the spot price does. Prospective investors should be aware that this might result in the Index suffering falls in value at a time when a direct physical investment in the commodity would not.

Long or Short Exposure

A commodity Index may provide long exposure to the prices of the commodities or commodity futures contracts, or short exposure. Prospective investors should be aware that if they invest in ETC Securities linked to a short exposure commodity Index, price rises in the underlying commodities or commodities futures contracts will generally lead to a fall in value of the ETC Securities.

Leverage

If the Index provides a leveraged exposure to commodities or commodity futures contracts, the effect of any negative or positive changes in the price thereof on the level of such Index and on the Value per ETC Security of the ETC Securities linked to such Index will be magnified as compared to the effect of any such negative or positive changes on the level of an otherwise identical index that does not employ leverage. Prospective investors should note that such leverage will mean that any losses on their investment will be greater than if they had an unleveraged exposure.

Impact of Foreign Exchange Hedging

If a Series of ETC Securities is denominated in a currency other than that of the commodity futures contracts which underlie the relevant Index, the Index referenced by such ETC Securities may include a currency hedging component to convert the currency of those commodity futures contracts into the same currency as that in which the ETC Securities are denominated. The level of such an Index will reflect the effect of a monthly rolling currency hedge. Such currency hedge typically involves the notional forward sale of the currency of the commodity futures contracts and purchase of the currency in which the ETC Securities are denominated and is designed to reduce the exposure of the Index (and, therefore, the ETC Securities) to exchange rate fluctuations between such currencies. However, such hedges do not fully eliminate exchange rate risks or fluctuations and, depending on movements in exchange rates, such currency hedging might have a negative impact on the level of the Index.

Diversification

Diversification is generally considered to reduce the amount of risk associated with generating returns. The index to which a Series of ETC Securities is linked may be comprised of a basket of different commodities or commodity futures contracts or may comprise a single commodity or commodity futures contract. If the Index comprises of a basket of different commodities or commodity futures contracts, the rules of the Index may include certain diversification objectives with the aim of ensuring an adequate diversification of the eligible components of the Index in order to meet the eligibility criteria required in accordance with the UCITS Directive; however, there can be no assurance that the Index will be sufficiently diversified at any time to satisfy the eligibility criteria required in accordance with the UCITS Directive and/or to reduce or minimise such risks to any extent.

Even if the Index is comprised of a basket of different commodities or commodity futures contracts, the effectiveness of the diversification may be limited due to price correlation between different commodities and commodity futures contracts. By way of illustration, the price of rice may be positively correlated with the price of wheat and with gold, such that, when the price of rice moves, wheat and gold prices typically move in the same direction. The greater the correlation between the price of commodities and commodity futures contracts comprised in the Index, the greater the impact on the performance of the Index and on the Value per ETC Security of the ETC Securities of a fall or rise in the prices of such commodities and commodity futures contracts.

The negative performance of one or more components of an Index may outweigh a positive performance of one or more other components

Prospective investors should note that even in the case of the performance of one or more components which would, when taken alone, have a positive impact on the level of the Index, the level of the Index may still decrease if the performance of one or more of the other components of the Index taken as a whole have a negative impact on the level which outweighs the positive effect of such component(s). If the rules of the Index give greater weight to certain components of the Index than other components, the level of the Index and therefore the Value per ETC Security of the ETC Securities will generally be affected more by changes in the value or price of such weighted components.

Commodity indices based solely on a limited or single commodity or commodity futures contract

The fewer the commodities or commodity futures contracts that comprise the Index, the less diversified the Index will be. Less diversified commodities indices are generally more volatile than more diversified indices and consequently the Value per ETC Security of any Series of ETC Securities linked to an index comprised of a limited number of commodities or commodities futures contracts or single commodity or commodities futures contracts may also reflect a greater volatility.

A commodity index may reference commodity spot prices or commodity futures contracts that are not traded on regulated futures exchanges

The Index may not be made up exclusively of regulated commodity futures contracts and could at varying times include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the same provisions of, and the protections afforded by, the U.S. Commodity Exchange Act of 1936, as amended, or other applicable statutes and related regulations that govern trading on U.S. regulated futures exchanges or similar statutes and regulations that govern trading on regulated U.K. futures exchanges or regulated futures exchanges in other countries. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities and the inclusion of such contracts in an Index may be subject to certain risks not presented by most exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

Disruption of exchanges on which commodity futures contracts are traded and price fluctuation limits

In respect of indices comprised of commodity futures contracts which are traded on futures exchanges, any disruption to these futures exchanges can affect the level of such indices and, if the Index is such an index, the level of the Index and the Value per ETC Security of the ETC Securities. Futures exchanges have the potential to suffer from market disruption, due to trading failures at the exchange or the imposition of volume or daily price fluctuation limits. Such events could result in it not being possible to price one or more commodity futures contracts and therefore accurately determine the level of the Index. This may result in the delay in calculation and publication of the Value per ETC Security of the ETC Securities.

Positions in commodity futures contracts may become illiquid because certain futures exchanges have regulations that limit the amount of fluctuation in certain commodity futures contract prices which may occur during a single trading day on the relevant exchange referred to as “daily price fluctuation limits” or “daily limits” and the maximum or minimum price of a contract on any given trading day on the relevant exchange as a result of these daily limits is referred to as a “limit price”. Under such daily limits during a single trading day on the relevant exchange, no trades may be executed at prices beyond the daily limits. Once the price of a commodity futures contract has increased or decreased by an amount equal to the daily limit, the commodity futures contract can neither be bought nor sold unless traders are willing to effect trades at or within the limit. Prospective investors should note that commodity futures contract prices in various commodities occasionally have exceeded the daily limit for several consecutive days with little or no trading.

Positions in commodities may also become illiquid because of (i) the limited volume and amount of transactions in the relevant market, (ii) relatively few counterparties transacting in a relevant market and (iii) a lack of transparency in respect of pricing and quantity due to the confidential nature of some transactions.

Such illiquidity could prevent a holder from promptly liquidating unfavourable or favourable positions and subject it to substantial losses or could lead to lower profits than anticipated and could, therefore, adversely affect the value of any indices referencing such commodity. If this occurs in relation to the components of the Index, a Disruption Event and/or an Adjustment Event and/or an Additional Swap Termination Event may occur. In such circumstances, the Closing Index Level may be determined by the Swap Calculation Agent and there may be a delay in the calculation and publication of the Value per ETC Security of the ETC Securities and/or an adjustment to the terms of the ETC Securities. As a result

of such circumstances, the Swap Agreement may be terminated and the ETC Securities may be redeemed in connection therewith.

Indices related to spot prices

In respect of a commodity, a 'spot price' is the price that a market participant can trade on for immediate delivery of such commodity. Accordingly, it can have different meanings in terms of actual time for immediate delivery. However, the common market perception is a contract executed on a spot price basis has delivery in the shortest amount of time for that market.

Therefore, an Index which is linked to spot prices should show the price at which the market will pay for immediate delivery. An Index linked to spot prices will be subject to significant volatility as the spot price is the indicator of where demand and supply in a market is at any particular time.

Role of the Index Sponsor of the Index

The sponsor of an index is responsible for the composition, calculation and maintenance of that index. The Index Sponsor of the Index will have no involvement in the offer and sale of the ETC Securities linked to such Index (save that nothing will prevent any Index Sponsor from also acting as Authorised Participant with respect to any Series of ETC Securities linked to an Index sponsored by it) and will have no obligations or duties to the Issuer, the Trustee or any Securityholder with respect to any action taken by it as Index Sponsor. The Index Sponsor of the Index has no obligation to take into account and will not take into account the interests of any Securityholders or the impact on the Value per ETC Securities of any ETC Securities when making determinations and taking actions with respect to the Index.

The Index Sponsor of the Index may license the Index, and any of its sub-indices or strategies similar to the Index for use by other market participants, for publication in newspapers and periodicals, for distribution by information and data dissemination services and for various other purposes. Such licensing may contribute to an increased level of investment in the Index or similar strategies and this may have an impact on the level of the Index and the Value per ETC Security of the ETC Securities.

Change in composition or discontinuance of the Index

The Index Sponsor may add, delete or substitute the components of the Index or make other changes to the methodology for determining the commodity futures contracts to be included in the Index or for valuing the Index.

The composition of the Index may therefore change over time as additional commodities or commodity futures contracts satisfy the eligibility criteria applicable to the Index or commodities or commodity futures contracts 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 commodity or commodity futures contract may perform significantly worse or better than the commodity or commodity futures contract it replaces. There have been a number of modifications to the methodology for determining the commodities and commodity futures contracts to be included in commodity indices in recent years and further modifications may be made in the future. As the Value per ETC Security of the ETC Securities is linked to the level of the Index, changes in the composition of the Index may have an adverse effect on the Value per ETC Security of the ETC Securities and/or may constitute an Adjustment Event and/or lead to a Hedging Disruption Event and/or an Additional Swap Termination Event and/or the early redemption of the ETC Securities.

The rules of the Index may confer on the Index Sponsor in certain circumstances the right to make determinations, calculations, modifications and/or adjustments to the Index and the eligible components of the Index and related matters, which involve, in certain circumstances, a degree of discretion. An index sponsor will generally, as far as reasonably practicable, exercise any such discretion with the aim of preserving the overall methodology of the relevant index. The exercise of such discretion may result in the level of the index on any day being different to that which it may have been had the index sponsor

not determined to exercise such discretion. Whilst an index sponsor is typically required to act reasonably and in good faith in exercising its discretion, there can be no assurance that the exercise of any such discretion by the Index Sponsor will not affect the level of the Index and/or alter the volatility of the Index and have an adverse effect on the Value per ETC Security of the relevant Series of ETC Securities.

If the Index Sponsor discontinues or suspends calculation or publication of the Index, under the terms of the ETC Securities, the Index may, in certain circumstances, be substituted with a Successor Index or an Index Cancellation Redemption Event may occur resulting in the early redemption of the ETC Securities. If the Index is replaced with a Successor Index, the relevant Securityholders will be exposed to fluctuations in the movements of the Successor Index and not the commodity index originally specified in the relevant Final Terms.

The Issuer is not affiliated to the sponsor of the Index in any way and has no ability to control or predict its actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the Index.

Risks related to Commodities Generally

Commodities comprise physical commodities, which need to be stored and transported, and commodity futures contracts. The performance of commodity futures contracts is correlated with, but may be different to, the performance of physical commodities. Commodity futures contracts are normally traded at a discount or a premium to the market prices for immediate payment and delivery of the physical commodity (such immediate market is known as the “spot market”). The difference between such prices and the prices for commodity futures contracts to buy or sell a commodity at a specific price on a specific date in the future is, on one hand, due to adjusting the market price for immediate payment and delivery by related expenses (warehousing, transport, insurance, etc.) and, on the other hand, due to different methods used to evaluate general factors affecting the markets in which each are traded. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets.

Commodities markets have historically displayed recurring periods of rising prices (bull markets) and falling prices (bear markets). These periods have tended to last for a significant period of time. For example, the last lengthy bear market persisted for approximately 25 years. In 1998, prices in a number of commodities were at, or near, all-time lows. Since 1998, commodities markets had generally experienced a period of rising prices. However, broad based commodity prices began to decline in the second half of 2014. While broad based commodity indices have seen a rising price trend since the beginning of 2016, this trend may reverse again. Prospective investors should be aware of the risk that commodities markets may be entering a longer period of falling prices, which would have a negative effect on the Value per ETC Security and the market price of the ETC Securities, and which period may persist for the remaining term of the ETC Securities. Prospective investors should be aware that any such price fall may be rapid.

The performance of a commodity, and consequently the corresponding commodity futures contract, is dependent upon various factors, including (without limitation) supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location, changes in tax rates and changes in laws, regulations and the activities of governmental or regulatory bodies, each as set out in more detail below. Commodity prices tend to be more volatile than most other asset categories, making investments in commodities riskier and more complex than other investments. Some of the factors affecting the price of commodities are:

- (i) **Supply and demand.** Commodities are typically considered a finite rather than a renewable resource. If supplies of a commodity increase the price of the commodity will typically fall and vice

versa if all other factors remain constant. Similarly if demand for a commodity increases the price of the commodity will typically increase and *vice versa* if all other factors remain constant. The planning and management of commodities supplies is very time-consuming. This means that the scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of demand. Demand can also vary on a regional basis. Transport costs for commodities in regions where they are needed also affect their prices. The fact that some commodities take a cyclical pattern, such as agricultural products which are only produced at certain times of the year, can also result in major price fluctuations. Alternative and substitutes for commodities may be identified, become cheaper and/or more readily available which may result in a decrease in the demand for such commodity and a decrease in the price thereof.

- (ii) **Liquidity.** Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the commodities markets means that speculative investments can have negative consequences and may distort prices.
- (iii) **Weather conditions and natural disasters.** Unfavourable weather conditions can influence the supply of certain commodities for the entire year. This kind of supply crisis can lead to severe and unpredictable price fluctuations. Diseases and epidemics can also influence the prices of agricultural commodities.
- (iv) **Direct investment costs.** Direct investments in commodities involve storage, insurance and tax costs. Moreover, no interest or dividends are paid on commodities. The returns from investments in commodities are therefore influenced by these factors.
- (v) **Location.** Commodities are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is, however, far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can, as a consequence, affect commodity prices. Armed conflicts can also impact on the supply and demand for certain commodities. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services. This can directly and indirectly impact commodity prices. Furthermore, numerous commodity producers have joined forces to establish organisations or cartels in order to regulate supply and influence prices.
- (vi) **Storage.** Commodities are often stored in regulated warehouses or storage facilities with a finite amount of storage space. Changes in demand and supply for a commodity can mean that commodities stored within warehouses or storage facilities in specific geographical locations may trade at a premium to the spot price.
- (vii) **Changes in tax rates.** Changes in tax rates and customs duties may have a positive or a negative impact on the profit margins of commodities producers. When these costs are passed on to purchasers, these changes will affect prices.
- (viii) **Changes in exchange rates and interest rates.** Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of commodities and the returns from investments in commodities are therefore influenced by and may be correlated to these factors.
- (ix) **Laws, regulation and action of regulatory bodies.** Changes in law and regulation and/or the action of any applicable government or regulatory body may have a positive or a negative impact on commodity prices and on any of the factors listed above. Depending upon the nature of the commodity and whether refinement of the commodity can lead to a restricted by-product, some

commodities can be subject to both national and international regulation which may limit the locations where warehouses or storage facilities can operate and who may operate those warehouses or storage facilities.

The Value per ETC Security of the ETC Securities will be affected by movements in commodity prices generally and by the way in which those prices affect the Index to which the ETC Securities are linked.

Risks relating to the Custodian and Sub-Custodians

The ability of the Issuer to meet its obligations under the ETC Securities depends on the receipt by it of payments (if any) payable under the Swap Agreement by the Swap Counterparty. The obligations of the Swap Counterparty to the Issuer under the Swap Agreement are secured pursuant to the related Credit Support Deed under which property is transferred to the Issuer from time to time and security interests over such property are granted in favour of the Issuer. The Issuer will hold any property so transferred to it with the Custodian on the terms of the relevant Custody Agreement. The Custodian is permitted to hold property delivered or received by it on trust for the Issuer in custody accounts with one or more sub-custodians provided they satisfy certain eligibility criteria.

The Issuer's ability to enforce the security created under the Credit Support Deed and meet its obligations with respect to the ETC Securities will be dependent upon receipt by the Issuer of deliveries from the Custodian and performance by the Custodian of its obligations under the relevant Custody Agreement. Consequently, the Securityholders are also relying on the creditworthiness of the Custodian (and/or any relevant Sub-Custodian). In the event of a bankruptcy or insolvency of the Custodian (or any Sub-Custodian), there can be no assurance that the Issuer will be able to obtain delivery of and/or realise the property held with the Custodian or Sub-Custodian on a timely basis. In addition, although in the accounts of the Custodian maintained for the Issuer the Custodian is required to segregate any Posted Collateral with respect to one Series of ETC Securities from any Posted Collateral for any other Series of ETC Securities and from any assets held in other client accounts or for its own accounts, Securityholders will be at risk if the Custodian does not, in practice, maintain such a segregation. In addition, the Custodian may hold Posted Collateral relating to a Series of ETC Securities which comprises Eligible Financial Instruments through a clearing system and/or through a sub-custodian or other account keeper, and such Eligible Financial Instruments may be held in an account with securities of the same type as such Eligible Financial Instruments held by or on behalf of the Custodian for the account of other customers of the Custodian. In such case the Custodian will use reasonable endeavours to ensure that any such clearing system and/or sub-custodian or other account keeper will (to the extent permitted by law and/or what the Custodian reasonably believes to be local banking practice) identify in its books the securities so held (including the Eligible Financial Instruments comprising the Posted Collateral for the relevant Series) as held for the account of the customers of the Custodian and that such property is distinguished on such books from the securities of the same type held on behalf of persons other than the Custodian's customers or for the own account of the Custodian. Were a Custodian Bankruptcy Event to occur and the securities held in any such combined customer account of the Custodian with any such clearing system, sub-custodian or other account keeper (and in which account the Eligible Financial Instruments comprising the Posted Collateral for the relevant Series were recorded) to be insufficient to meet in full the claims of the customers for whom the Custodian holds securities of the same type as the Eligible Financial Instruments, such customers (including the Issuer and therefore the Securityholders of the relevant Series) would bear any shortfall amongst themselves.

None of the Custodian or any Sub-Custodian will have any duty or obligation to insure any Posted Collateral held or received by it against any risk (including the risk of theft, loss, damage, destruction or misdelivery). None of the Custodian or any Sub-Custodian will be liable to the Issuer or any Securityholder or any other person for any loss or destruction or depreciation in the value of any Posted Collateral held or received by it or any income therefrom unless such loss, destruction or depreciation is

the direct result of the Custodian's negligence, fraud, bad faith or wilful misconduct. The Custodian is not responsible for the acts, omissions, defaults or insolvency of any third party including, but not limited to, any Sub-Custodian, clearing system, securities depository, broker, counterparty or issuer of any Posted Collateral held or received by it. The Custodian will only be responsible for losses suffered by the Issuer as a direct result of its negligence, fraud, bad faith or wilful default in the appointment and monitoring of any non-affiliated Sub-Custodian or nominee. Otherwise, the Custodian is not be liable for any act or omission, or for the solvency, of any non-affiliated Sub-Custodian or nominee.

Conflicts of Interest

Deutsche Bank AG

As at the date of the Base Prospectus, Deutsche Bank AG is the Arranger, and the Issuer has or may appoint Deutsche Bank AG as Issuing and Paying Agent and Custodian, and to appoint Deutsche International Corporate Services (Ireland) Limited, an Affiliate of Deutsche Bank AG, as Determination Agent and Deutsche Trustee Company Limited, an Affiliate of Deutsche Bank AG, as Trustee on the issue of any Series of ETC Securities. Deutsche Bank AG may also act as Programme Swap Counterparty and the Swap Counterparty in relation to any Series of ETC Securities. However, in connection with ongoing or future restructuring and/or reorganisations within the Deutsche Bank Group, it is possible that some of the roles currently performed by Deutsche Bank AG may be novated, delegated or otherwise transferred to a different entity within the Deutsche Bank Group, provided that it is legally permitted to make such novation, delegation or transfer. Deutsche Bank AG acting through any of its branches or Affiliates may also be an Authorised Participant in relation to a Series of ETC Securities.

Conflicts of interest may exist or arise between Deutsche Bank AG and any Affiliate of Deutsche Bank AG ("**Deutsche Bank entities**" and each a "**Deutsche Bank entity**") acting in other capacities and the interests of the Issuer and/or Securityholders.

Subject always to their regulatory obligations in performing each or any of these roles, Deutsche Bank entities do not act on behalf of, or accept any duty of care or any fiduciary duty to, any Securityholder. Each relevant Deutsche Bank entity will pursue actions and take steps that it deems appropriate to protect its interests without regard to the consequences for the investors in the ETC Securities or any other person.

A Deutsche Bank entity and/or its Affiliates may engage in trading and market-making activities and may hold long or short positions in the Index, any component of the Index, any asset comprised in the Posted Collateral and other instruments or derivative products based on or related to the Index, components of the Index and/or assets comprised in the Posted Collateral for their proprietary accounts or for other accounts under their management. Deutsche Bank entities may also issue securities or enter into financial instruments in relation to the Index, any component of the Index and/or assets comprised in the Posted Collateral. To the extent that any Deutsche Bank entity, directly or through its Affiliates, serves as issuer, agent, manager, sponsor or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Securityholders. Such activities may have an adverse effect on the Value per ETC Security of the ETC Securities and/or the value of the Posted Collateral securing the Issuer's exposure to the Swap Counterparty.

Deutsche Bank entities may be entitled to receive fees or other payments pursuant to products linked to the Index to which the ETC Securities relate or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors in the ETC Securities.

Deutsche Bank entities may, from time to time, by virtue of their activities, possess or have access to information relating to the components of the Index, the assets comprised in the Posted Collateral and/or

the other Transaction Parties. There is no obligation on any Deutsche Bank entity to disclose to any investor in the ETC Securities any such information.

Any relevant research carried out by a Deutsche Bank entity may or may not be considered by Deutsche Bank AG when Deutsche Bank AG is trading for its own account or those of its customers, as the case may be. These, or other transactions in which Deutsche Bank AG engages for its account, may be conducted in a manner inconsistent with the research and the administration of the Index, any component of the Index and/or any eligible component of the Index.

Any Deutsche Bank entity may, as an issuer or counterparty of commodity linked obligations or transactions, engage in activities designed to reduce its exposure to the risk of adverse price movements that may impact on the level of the Index and/or the prices of components of the Index on any particular day, meaning it may be different from the level which it would otherwise have been, whether directly or indirectly. Such activities may have an adverse effect on the Value per ETC Security of the ETC Securities.

In addition, a Deutsche Bank entity may engage in activities designed to reduce its exposure to the risk of adverse price movements that may impact the value of the Posted Collateral under a relevant Credit Support Deed. Such activities may result in the value of the Posted Collateral being less than the value of the Issuer's exposure to the Swap Counterparty on a particular day. While Deutsche Bank believes that such activities will not have a material impact on the level of the Index and/or the value of any Posted Collateral, no assurance can be given that market, financial or other circumstances will not arise such that the value of the ETC Securities is negatively impacted.

If the Determination Agent is a Deutsche Bank entity, potential conflicts of interest may exist between the Determination Agent and the Securityholders, including with respect to the exercise of the Determination Agent of its duties and obligations under the relevant Determination Agent Agreement and the Conditions and the exercise of discretion (if any) that is inherent in such duties and obligations. Prospective investors should be aware that any determination made by the Determination Agent may have an impact on the Value per ETC Security of the ETC Securities. Determinations made by the Determination Agent (in the absence of manifest error) will be binding on the Issuer and all relevant Securityholders.

A Deutsche Bank entity may be the sponsor of the Index. Such Index may be developed, owned, calculated and maintained by such Deutsche Bank entity, who would be responsible for the composition, calculation and maintenance of the Index. In such circumstances, the Deutsche Bank entity, in its capacity as the Index Sponsor, would be under no obligation to take into account the interests of the Securityholders. In such capacity as the Index Sponsor, they will have the authority to make determinations that could materially affect the Value per ETC Security of the ETC Securities and/or result in a Disruption Event, Adjustment Event or Swap Agreement Redemption Event.

Other Transaction Parties

Transaction Parties and/or their respective Affiliates may engage in trading and market-making activities and may hold long or short positions in the Index, any component of the Index, any asset comprised in the Posted Collateral and other financial instruments or products based on or related to the Index, components of the Index and/or assets comprised in any Posted Collateral for their own accounts or for other accounts under their management. Transaction Parties and their affiliates may also issue securities or enter into financial instruments in relation to the Index, any component of the Index and/or assets comprised in the Posted Collateral. Such activities could present certain conflicts of interest, could adversely affect the level of the Index or adversely affect the price and liquidity of any component of the Index and/or the asset(s) comprised in the Posted Collateral and may have an adverse effect on the Value per ETC Security of the ETC Securities.

A Transaction Party and/or its Affiliates may be entitled to receive fees or other payments under or in connection with other products linked to the Index to which the ETC Securities relate or otherwise and to

exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors in the ETC Securities.

A Transaction Party and/or its Affiliates may, from time to time, by virtue of such activities and their status as underwriter, adviser or otherwise, possess or have access to information relating to the components of any relevant Index, the assets comprised in the Posted Collateral and/or the other Transaction Parties. There is no obligation on any Transaction Party to disclose to any investor in the ETC Securities any such information.

A Transaction Party and/or its Affiliates may, as an issuer or counterparty of commodity linked obligations or transactions, engage in activities designed to reduce its exposure to the risk of adverse price movements that may impact on the level of a relevant Index and/or the prices of components of a relevant Index on any particular day, meaning it may be different from the level which it would otherwise have been, whether directly or indirectly. Such activities may have an adverse effect on the Value per ETC Security of the ETC Securities.

In addition, a Transaction Party and/or its Affiliates may engage in activities designed to reduce its exposure to the risk of adverse price movements that may impact on the value of the Posted Collateral under a relevant Credit Support Deed. Such activities may result in the value of the Posted Collateral being less than the value of the Issuer's exposure to the relevant Swap Counterparty on a particular day.

Risks relating to the Authorised Participants

If an Authorised Participant fails to settle a buy-back and does not deliver the relevant ETC Securities in circumstances where the Issuer has received the related termination payment under the Swap Agreement based on the Value per ETC Security in respect of the relevant Buy-Back Trade Date, this might lead to the Issuer having less sums available to it than are necessary to make payments in full in respect of the ETC Securities, the other Secured Issuer Obligations and Other Issuer Obligations if, the ETC Securities are redeemed and the buy-back has still not been settled. Accordingly, holders of the ETC Securities are exposed to the credit risk of an Authorised Participant and the risk that an Authorised Participant fails to settle a buy-back.

COMMONLY ASKED QUESTIONS

This section is intended to answer some of the questions which investors may have when considering an investment in the ETC Securities. However, any decision to invest in ETC Securities should only be made after careful consideration of all relevant sections of this Base Prospectus and the relevant Final Terms. This section is not intended to be a substitute for, nor a summary of, the Conditions.

Capitalised terms shall have the meanings given to them in the Conditions.

1 What are the ETC Securities?

The ETC Securities are secured debt securities issued by DB ETC Index plc, a Jersey company set up as the administrative vehicle for issuing the ETC Securities. The ETC Securities are designed to provide investors with exposure to a commodity Index. They enable investors to gain such exposure without having to take physical delivery of a commodity or having to trade commodity derivatives.

ETC Securities will typically be admitted to listing on the Official List of the UK Listing Authority and/or on another Stock Exchange, and will generally be made eligible to trade intra-day on the London Stock Exchange and/or on other such exchanges.

2 How do the ETC Securities give me commodity exposure?

The ETC Securities are long-dated securities that promise to pay an amount at maturity linked to the value of a commodity Index. The ETC Securities are backed by a Swap Agreement with the Swap Counterparty. Under the Swap Agreement, the Issuer pays all of the issue proceeds of the ETC Securities to the Swap Counterparty. In return, the Swap Counterparty makes payments to the Issuer that reflect the performance of the relevant Index and which equal the amounts the Issuer has to pay on the ETC Securities and will provide the Issuer with collateral assets having a total value at least equal to the aggregate Value per ETC Security of that Series.

Because the Issuer obtains its commodity exposure under the Swap Agreement, rather than by physically investing directly in commodities, these types of ETC Securities are known as indirect replication exchange traded commodities. This is because the Issuer obtains its exposure indirectly via the Swap Agreement.

3 Who is the Swap Counterparty?

As at the date of the Base Prospectus, Deutsche Bank AG is the Programme Swap Counterparty and the sole Swap Counterparty under the Programme.

4 What are commodity indices?

The ETC Securities are commodity index-linked securities. The amount payable in respect of the ETC Securities and the Value per ETC Security (see “What is the Value per ETC Security” below) is linked to the performance of the underlying commodity index specified in the relevant Final Terms, as such index may be replaced, substituted or otherwise adjusted in accordance with the Conditions.

The complete set of rules of any relevant index and information on the performance of such index are freely accessible on the Issuer’s website at www.etc.db.com (or such other website as may be notified to Securityholders) or on the index provider’s website as specified in the relevant Final Terms and the governing rules (including methodology of the index for the selection and the re-balancing of the components of the index, description of market disruption events and adjustment rules) are based on predetermined and objective criteria.

The Index to which a Series of ETC Securities relates may be designed to provide long or short exposure to a single commodity or commodity futures contract or to a basket of commodities or commodity futures contracts and may employ leverage or other features to create a particular type of exposure to the underlying commodity or commodity futures contracts.

An Index:

- may, in respect of each commodity, reference the price of the commodity for immediate delivery (known as the 'spot price') or the price of one or more commodity futures contracts
- may provide long or short exposure
- may employ leverage or be unleveraged
- may be denominated in the currency in which the relevant commodity or commodity futures contract is typically traded or may be in a different currency, and in the latter case may or may not include some element of foreign exchange hedging (that is, an attempt to reduce the uncertainty caused by foreign exchange rate changes)
- may be calculated on an "excess return" or a "total return" basis (with "excess return" generally reflecting the gain or loss on the commodity futures contract over the time in question, including as a result of any roll of a commodity futures contract, and with "total return" reflecting both the excess return and a reference rate of return such as the relevant three-month USD Treasury bill rate)
- may employ a pre-determined strategy to allocate between different commodities or commodity futures contracts over time in an attempt to maximise the returns on the index in certain scenarios.

The Index may provide a long exposure to the prices of the commodities or commodity futures contracts comprising the Index. A long exposure is the exposure that someone who purchases assets with the intention of selling the assets in the future has to the price of the assets. Such purchaser hopes for and will benefit from a rise in the price of the assets as the purchaser will be able to sell the assets for an amount greater than it purchased them for. If the Index to which the ETC Securities are linked provides a long exposure to the prices of the commodities or commodity futures contracts referenced by it, all other things being equal and absent significant market changes and volatility, a rise in the prices of such commodities and commodity futures contracts should be reflected by an increase in the level of the Index and the Value per ETC Security of the ETC Securities.

Alternatively, the Index may provide a short exposure to the prices of the commodities or commodity futures contracts comprising the Index. A short exposure is the exposure of someone who borrows assets and then sells them in the market with the intention of buying the assets back in the future to redeliver to the lender. Such person hopes for and will benefit from a fall in prices of the assets as they can repurchase the assets to redeliver to the lender for an amount which is less than they sold them for. If the Index to which the ETC Securities are linked provides a short exposure to the prices of the commodities or commodity futures contracts referenced by it, all other things being equal and absent significant market changes and volatility, a rise in the prices of such commodities and commodity futures contracts should be reflected by a decrease in the level of the Index and the Value per ETC Security of the ETC Securities.

If the Index provides a leveraged exposure to commodities or commodity futures contracts, the effect of any negative or positive changes in the price thereof on the level of such Index and on the Value per ETC Security of the ETC Securities linked to such Index will be magnified as compared to the effect of any such negative or positive changes on the level of an otherwise identical index that

does not employ leverage. Prospective investors should note that such leverage will mean that any losses on their investment will be greater than if they had an unleveraged exposure.

The level of the Index replicates an actual investment (a purchase in the case of an index providing a long exposure or a sale in the case of an index providing a short exposure, as applicable) in commodities or commodity futures contracts as applicable, and therefore goes up or down depending on the overall performance of the commodities or commodity futures contracts (or basket thereof, as applicable).

5 *Is an investment in a commodity index the same as investing in the underlying physical commodities?*

An investment in a commodity index is not the same as investing directly in the underlying physical commodities. Importantly, an investment in a commodity index does not give any ownership interest, right or entitlement to any actual commodity or commodity futures contract. Any amounts payable on the ETC Securities will be in cash, and the holders of the ETC Securities will have no right to receive delivery of any commodity or commodity futures contract at any time.

In addition, the return on most commodity indices will not track the return that would be achieved by an investor were it to instead invest in the underlying physical commodities. As summarised in “What are commodity indices?” above, there are many different types of commodity index and most commodity indices are specifically designed to give an investment exposure different from that achieved from a direct buy-to-hold investment in the underlying commodities.

In particular, many commodity indices are designed to reference the performance of commodity futures contracts rather than a direct buy-to-hold investment in the underlying commodities themselves.

A commodity index that tracks commodity futures contracts is not the same as one that tracks the related physical commodities and is not the same as investing in the relevant physical commodities. This is because while holding an inventory of physical commodities may have certain economic benefits (for example, a refinery could use a reserve of crude oil for the continuation of its operations), it also poses administrative burdens and costs, including those arising from the need to store or transport physical commodities. These requirements and costs may prove unattractive to investors who are interested solely in the price movement of commodities. An index of commodity futures contracts permits an investor to obtain exposure to the prices of commodities without directly incurring these requirements and costs. However, an investor in an index of commodity futures contracts can be indirectly exposed to these costs, which may be reflected in the prices of the commodity futures contracts and therefore in the level of a commodity index. Additionally, the fact that commodity futures contracts have publicly available prices allows calculation of an index based on these prices. The use of commodity futures contracts, therefore, allows the sponsor of a commodity index to separate the exposure to price changes from the ownership of the underlying physical commodity, and thus allow participation in the upside and downside movement of commodity prices independently of the physical commodity itself.

6 *What is a commodity futures contract and what is “rolling”?*

A commodity futures contract is an agreement to buy or sell a set amount of a physical commodity at a predetermined price for delivery during a predetermined delivery period (or to receive or pay the cash amount of any profit or loss that a party to such a contract would have made). Once entered into, the prices for a commodity futures contract change until they reach their predetermined delivery period. Generally speaking, the return on an investment in commodity futures contracts is correlated with, but different from, the return on buying and holding commodities.

Where an index references the price of commodity futures contracts it will normally contain a mechanism to replace commodity futures contracts that are nearing their delivery period with new, longer-dated commodity futures contracts. This replacement is known as a “roll”. For example, an index may reference a 3-month commodity futures contract entered into on 15 July 2013 and due to expire on 15 October 2013. When 15 October 2013 is near, the index will provide a mechanism to replace that commodity futures contract with a new 3-month commodity futures contract. Any gain or loss involved in such replacement would be reflected in the index.

This “rolling” feature of a commodity index has important implications for changes in the value of a commodity index. The “rolling” feature can cause the value of a commodity index to change even at times when the spot price of the commodity stays the same or can cause the value of a commodity index to change in a different way than the spot price does.

The precise impact of the “rolling” feature will depend on the nature of the particular commodity Index and, in particular, on whether the commodity Index gives a long or short exposure to the underlying commodity.

The trend in prices of the commodity futures contracts may mitigate the effects of rolling. Furthermore, if the Index includes many different types of commodity futures contracts, each of those commodity futures contracts may be in a different type of market, either backwardation or contango, and therefore may offset any losses and gains attributable to rolling. Prospective investors should note that the Index to which a Series of ETC Securities they hold is linked may not be a diversified commodities index and so the effects of rolling may be more pronounced.

Some commodity indices contain mechanisms that attempt to minimise the negative impact of the “rolling” feature and to maximise the positive impact. The precise manner and effect of these mechanisms differs across different commodity indices. Although designed to try and minimise any negative impact and to maximise any positive impact, there can be no assurance that any such mechanism will achieve that objective.

7 *What other factors impact the return on a commodity index?*

The performance of a commodity index is fundamentally dependent upon the macroeconomic factors relating to the commodities that underpin such index or the commodity futures contracts included in such index, such as supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location and changes in tax rates. Where an Index references commodities of more than one type, the performance of commodities and/or commodity futures contracts in one sector might offset the performance of commodities and/or commodity futures contracts in another sector but there can be no assurance that this will be the case.

8 *What rules apply to an Index which references spot prices?*

An Index which references a spot price differs from other commodity indices found in the market because it does not reference futures contracts and therefore a rules based strategy relating to futures contracts (such as a pre-defined rolling mechanism of eligible future contracts and/or a mechanism for the selection of eligible future contracts) is not applicable.

9 *What is the structure of the ETC Securities?*

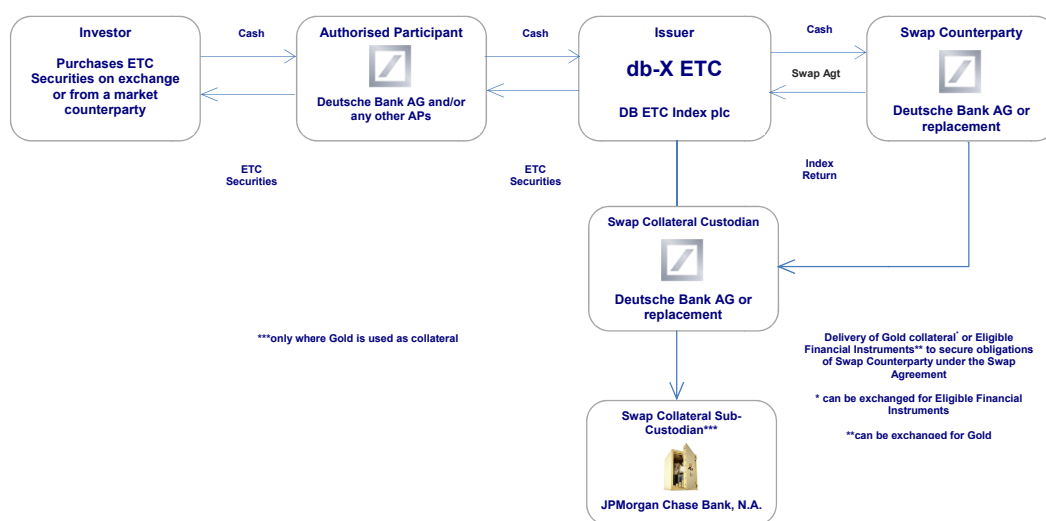
Each ETC Security is issued by the Issuer to an Authorised Participant. The Issuer then pays the issue proceeds to the Swap Counterparty under the Swap Agreement. In return, the Swap Counterparty makes payments to the Issuer that reflect the performance of the relevant Index and which equal the amounts the Issuer has to pay on the ETC Securities.

In order to minimise the risk that the Swap Counterparty does not make the payments due from it under the Swap Agreement, it is required to provide the Issuer with collateral assets. This is

provided for under a document known as a Credit Support Deed. If the Swap Counterparty did default on its payments, the collateral would be available to be sold in order to pay off amounts owing by the Swap Counterparty. The collateral will be either physical Gold or financial instruments meeting set quality criteria, although the Swap Counterparty may elect, upon giving not less than 90 calendar days' prior notice, to substitute the Gold collateral with financial instruments meeting set quality criteria or vice versa. The collateral delivered under the Credit Support Deed is known as the Posted Collateral.

The collateral will be held for the Issuer by a custodian. This will be Deutsche Bank AG or any replacement thereto. Where the collateral is in the form of Gold, it will be held by JPMorgan Chase Bank N.A., a sub-custodian.

A structure diagram showing the principal aspects of the structure is set out below:



10 What is an Authorised Participant?

Authorised Participants are the only entities allowed to buy and sell ETC Securities directly from and to the Issuer. Any such purchase or sale is made at the prevailing Value per ETC Security. Authorised Participants act also as market makers, i.e. they buy and sell ETC Securities from and to investors on an over-the-counter basis or via a stock exchange. However, not all market makers need to be Authorised Participants.

11 Do holders of ETC Securities have recourse to particular assets of the Issuer?

With respect to each Series of ETC Securities, the Issuer's main assets are its rights and interests under the related Swap Agreement and Credit Support Deed. The obligations of the Issuer under the ETC Securities of a Series will be secured in favour of the Trustee pursuant to an English law governed Security Deed which grants security over the Issuer's rights in respect of the transaction documents relating to that Series (including the Swap Agreement and any Credit Support Deed), any cash held by the Issuer in respect of that Series and any collateral delivered by the Swap Counterparty in respect of that Series. The property over which such security is created in respect of a Series is known as the Secured Property.

You should note that holders of ETC Securities and other Transaction Parties will have recourse only to the Secured Property in respect of the relevant Series of ETC Securities and not to any other assets of the Issuer. The claims of holders of ETC Securities (and those of other Transaction Parties) will be limited to Secured Property and subject to the order of priority referred to below. If the Secured Property is not sufficient to meet the claims of holders of ETC Securities and those of

all the other relevant parties, the Secured Property will be used to meet claims according to a specified order of priority. Amounts owing to certain Transaction Parties will be paid before claims of holders of ETC Securities. If there is no Secured Property left after paying them, holders of ETC Securities will not be paid.

12 *What happens if the Swap Counterparty defaults?*

If the Swap Agreement terminates and the Swap Counterparty does not pay in full the amount payable under the Swap Agreement when due and the security under the Credit Support Deed becomes enforceable in accordance with its terms, the Issuer will use reasonable endeavours to appoint a Liquidation Agent as soon as is reasonably practicable (and provided always that the Issuer will not be liable for any non-appointment of any Liquidation Agent or for any losses, damages, costs or expenses that result from any such non-appointment) to assist the Issuer in the enforcement of the security granted under the Credit Support Deed. The Liquidation Agent will be appointed as agent of the Issuer to realise the Posted Collateral under such Credit Support Deed in a timely fashion in accordance with the terms of such Credit Support Deed and applicable laws, until such time as the Security constituted under the Security Deed has become enforceable and the Trustee notifies the Liquidation Agent that it is enforcing such Security and to cease its activities in relation thereto.

In appointing a Liquidation Agent, the Issuer will act in good faith and will seek to appoint a Liquidation Agent of good professional standing, having appropriate relevant experience and charging fees that are no higher than is commercially reasonable. The Issuer is under no obligation to obtain more than one quotation for such role and, where there is more than one candidate, may choose the entity it considers best suited to the role, regardless of whether other potential candidates would have charged lower fees.

For the avoidance of doubt, where a Liquidation Agent is not appointed or the Posted Collateral is not realised by the Liquidation Agent within 60 calendar days of the relevant Early Redemption Valuation Date or the Scheduled Maturity Date (as applicable) and the relevant payment of Principal in respect of the ETC Securities has not been made, the Security over the Secured Property in respect of the relevant Series of ETC Securities will become enforceable by the Trustee on such 60th calendar day.

13 *When will a Value per ETC Security be calculated?*

Subject to any market disruptions, the Determination Agent is required to calculate the Value per ETC Security in respect of each Scheduled Valuation Day. A Scheduled Valuation Day is a London Business Day on which the Index Sponsor is scheduled to publish the level of the Index.

14 *What is the Value per ETC Security?*

The Value per ETC Security is an amount in the currency of the ETC Securities, calculated on a daily basis for each Scheduled Valuation Day (subject to any market disruptions) and that represents the theoretical value of an ETC Security. The Value per ETC Security is used to calculate the redemption amount of the ETC Securities when they reach their Scheduled Maturity Date.

The Value per ETC Security is a measure of the Value per ETC Security of the net assets (primarily the swap agreement) backing that particular Series of ETC Securities.

The Value per ETC Security depends on the performance of the commodity Index to which the ETC Securities are linked. If the value of the commodity Index rises, the Value per ETC Security should also rise. If the value of the commodity Index falls, the Value per ETC Security should also fall. However, the Value per ETC Security is reduced by the deduction of a fee. Depending on the

performance of the commodity Index, the deduction of the fee may erode any gains made from rises in the value of the commodity Index.

The following worked example shows how the Value per ETC Security is calculated.

①	<p>On Thursday 31 October 2013, a new Series of ETC Securities is issued for U.S.\$100 each. The initial Value per ETC Security is set at 100.00 to match the issue price.</p> <p>The ETC Securities give a return linked to the db Example Commodity Index.</p> <p>On 31 October 2013, the db Example Commodity Index level is 1045.23.</p>
②	<p>To determine the Value per ETC Security for Friday 1 November 2013, the Determination Agent does the following:</p> <p>Step 1: It first looks at the db Example Commodity Index level for 1 November 2013. We will assume that this level is 1047.62.</p> <p>Step 2: It needs to calculate the percentage increase or decrease in the value of the db Example Commodity Index level since the end of the previous calendar month (i.e. since 31 October 2013). In this example, the db Example Commodity Index level has risen from 1045.23 to 1047.62, an increase of 2.39. This is a percentage increase of 0.23%.</p> <p>Step 3: The Determination Agent then applies the same percentage increase or decrease to the Value per ETC Security as it stood at the end of the previous calendar month (i.e. it needs to increase 100.00 by 0.23%). This gives a result of 100.23.</p> <p>Step 4: It then needs to subtract the aggregate fee charged in respect of the ETC Securities since the end of the previous calendar month. To do this it needs to work out the daily fee amount.</p> <p>There are potentially three fees that apply to a Series of ETC Securities. These are:</p> <ul style="list-style-type: none"> • a product fee • a collateral fee which reflects the cost to the Swap Counterparty of providing collateral under the Swap Agreement and • a swap replication fee or index fee embedded in the terms of the commodity index. <p>The level of these fees may vary from time to time (see “What fees do I pay?” below).</p> <p>In this example, we will assume that on 1 November 2013 the product fee is 0.45% per annum, the collateral fee is 0.2828% per annum and the swap replication fee is 0.40% per annum. When these are added together this gives a total fee percentage of 1.13%.</p> <p>To calculate the daily fee amount, the Determination Agent needs to multiply the Value per ETC Security at the end of the previous calendar month by the total fee percentage. This gives an annualised amount. To make this a daily amount, the Determination Agent divides by 360.</p> <p>If we do this in our current example, the daily fee amount would be equal to 100.00 multiplied by the total fee percentage of 1.13% per annum, and then divided by 360. This gives a daily fee amount equal to 0.0031467.</p> <p>The Determination Agent then needs to take that amount off the value it arrived at in Step 3. So it needs to take 0.0031467 from 100.23. Because the Value per ETC Security is reported</p>

	<p>to two decimal places, this deduction will not actually result in the published value being different. However, even though the Value per ETC Security is only published to two decimal places, it is calculated to many more. As a result, the fee deduction will have a cumulative effect over time (see further “What fees do I pay?” below).</p> <p>Step 5: The Issuer publishes the Value per ETC Security for 1 November 2013 by no later than 16:00 London time on the next Scheduled Valuation Day. In this example, because 2 and 3 November 2013 are a Saturday and Sunday, this means that the Value per ETC Security for 1 November 2013 will be published by no later than 16:00 London time on 4 November 2013. The Value per ETC Security will be published on www.etc.db.com (or a successor website).</p>
③	<p>No Value per ETC Security will be determined for Saturday 2 November 2013 or Sunday 3 November 2013, as calculations are not made for weekends, bank holidays and other non-business days.</p>
④	<p>The next day for which the Value per ETC Security will be determined will be Monday 4 November 2013. To determine the Value per ETC Security for this day, the Determination Agent will follow the same steps as above:</p> <p>Step 1: It first looks at the db Example Commodity Index level for 4 November 2013. We will assume that this level is 1049.56.</p> <p>Step 2: It needs to calculate the percentage increase or decrease in the value of the db Example Commodity Index level since the end of the previous calendar month (i.e. since 31 October 2013). In this example, the db Example Commodity Index level has risen from 1045.23 to 1049.56, an increase of 4.33. This is a percentage increase of 0.41%.</p> <p>Step 3: The Determination Agent then applies the same percentage increase or decrease to the Value per ETC Security as it stood at the end of the previous calendar month (i.e. it needs to increase 100.00 by 0.41%). This gives a result of 100.41.</p> <p>Step 4: It needs to subtract the aggregate fee charged in respect of the ETC Securities. To do this it needs to subtract the daily fee amounts for Friday 1 November 2013, Saturday 2 November 2013, Sunday 3 November 2013 and Monday 4 November 2013. Note that because the fee is a daily fee, it will be charged for all calendar days, regardless of whether they are weekends, bank holidays or other non-business days.</p> <p>The Determination Agent, therefore, needs to subtract four days’ worth of the daily fee amount. We will assume that the daily fee amount has stayed the same for those days (the daily fee amount tends to change on the first day of a calendar month, although it can change at other times in certain instances – see “What fees do I pay?” below). Four days’ worth of a daily fee amount of 0.0031467 comes to 0.0125866.</p> <p>The Determination Agent then needs to take that amount away from the value at the end of Step 3. So it needs to take 0.0125866 from 100.41. This gives a result of 100.40.</p>
⑤	<p>The Determination Agent will calculate the Value per ETC Security in the same way for each day until the beginning of the next calendar month.</p> <p>The below table shows the Value per ETC Security that would apply if the db Example Commodity Index levels were as shown in the table:</p>

	Date	Value per ETC Security	Closing Index Level	Accrued Fee
	31-Oct-13	100.00	1045.23	-
	1-Nov-13	100.23	1047.62	0.0031
	4-Nov-13	100.40	1049.56	0.0126
	5-Nov-13	100.56	1051.29	0.0157
	6-Nov-13	100.70	1052.73	0.0189
	7-Nov-13	100.62	1051.98	0.0220
	8-Nov-13	100.67	1052.53	0.0252
	11-Nov-13	100.67	1052.56	0.0346
	12-Nov-13	100.72	1053.11	0.0378
	13-Nov-13	100.68	1052.78	0.0409
	14-Nov-13	100.61	1052.07	0.0441
	15-Nov-13	100.65	1052.56	0.0472
	18-Nov-13	100.60	1052.06	0.0566
	19-Nov-13	100.59	1051.99	0.0598
	20-Nov-13	100.65	1052.67	0.0629
	21-Nov-13	100.68	1052.99	0.0661
	22-Nov-13	100.70	1053.23	0.0692
	25-Nov-13	100.74	1053.78	0.0787
	26-Nov-13	100.71	1053.53	0.0818
	27-Nov-13	100.82	1054.67	0.0850
	28-Nov-13	100.78	1054.34	0.0881
	29-Nov-13	100.85	1055.10	0.0913
⑥	<p>The last Scheduled Valuation Day of November 2013 is Friday 29 November 2013. The first Scheduled Valuation Day of December 2013 will, therefore, be Monday 2 December 2013.</p> <p>When the Determination Agent calculates the Value per ETC Security for days in December, it needs to make some slight adjustments.</p> <p>Step 1: It first looks at the db Example Commodity Index level for 2 December 2013. We will assume that this level is 1056.42.</p> <p>Step 2: It needs to calculate the percentage increase or decrease in the value of the db Example Commodity Index level since the end of the previous calendar month. Because we are now in December 2013, this means the Determination Agent has to look back to 29 November 2013 and not 31 October 2013. In this example, the db Example Commodity Index level has risen from 1055.10 to 1056.42, an increase of 1.32. This is a percentage increase of 0.13%.</p> <p>Step 3: The Determination Agent then applies the same percentage increase or decrease to the Value per ETC Security as it stood at the end of the previous calendar month (i.e. it needs to increase 100.85 by 0.13%). This gives a result of 100.98.</p> <p>Step 4: It then needs to subtract the aggregate fee charged in respect of the ETC Securities since the end of the previous calendar month. To do this it needs to work out the daily fee amount.</p>			

	<p>In this example, we will assume that from (but excluding) the last business day of November, the collateral fee changed from 0.2828% to 0.29345%, but the product fee and swap replication fee stayed at the same level as in November (i.e. 0.45% per annum and 0.40% per annum, respectively). When these are added together this gives a total fee percentage of 1.14%.</p> <p>To calculate the daily fee amount, the Determination Agent needs to multiply the Value per ETC Security at the end of the previous calendar month by the total fee percentage. This gives an annualised amount. To make this a daily amount, the Determination Agent divides by 360.</p> <p>If we do this in our current example, the daily fee amount would be equal to 100.85 multiplied by the total fee percentage of 1.14%, and then divided by 360. This gives a daily fee amount equal to 0.003203345.</p> <p>Because Saturday 30 November 2013 and Sunday 1 December 2013 were non-business days, the Determination Agent needs to take three days' worth of fees off when it calculates the Value per ETC Security for 2 December 2013 (i.e. the fees for 30 November, 1 December and 2 December). This comes to 0.009610034.</p> <p>The Determination Agent then needs to take that amount off the value it arrived at in Step 3. So it needs to take 0.009610034 from 100.98. This gives 100.97.</p> <p>Step 5: The Issuer publishes the Value per ETC Security for 2 December 2013 by no later than 16:00 London time on the next Scheduled Valuation Day. In this example, the Value per ETC Security for 2 December 2013 will be published by no later than 16:00 London time on 3 December 2013. The Value per ETC Security will be published on www.etc.db.com (or a successor website).</p>
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15 *How do I obtain a return from investing in ETC Securities?*

The ETC Securities are non-interest bearing. No amounts are payable under the ETC Securities prior to their Scheduled Maturity Date unless they are subject to an early redemption.

On the Scheduled Maturity Date, each ETC Security will become due and payable at an amount determined by reference to the Value per ETC Security.

However, for this purpose the Value per ETC Security is calculated in a slightly different way than normal, instead using an average of the level of the Index over a five business day period.

This can be illustrated by an example.

①	The Series of ETC Securities has a Scheduled Maturity Date of Friday 30 April 2060. The Final Redemption Valuation Date will generally be the tenth Scheduled Valuation Day prior to that date, which is expected to be Friday 16 April 2060. For this example, we will assume that Friday 16 April 2060 is the Final Redemption Valuation Date.
②	<p>The Determination Agent needs to determine the Value per ETC Security for the Final Redemption Valuation Date. It does this slightly differently than for any other Scheduled Valuation Day. We shall see how by working through the steps the Determination Agent needs to take.</p> <p>To determine the Value per ETC Security for the Final Redemption Valuation Date, the Determination Agent does the following:</p>

Step 1: Ordinarily, to calculate the Value per ETC Security for a day the Determination Agent would need to look at the db Example Commodity Index level for that day. However, to calculate the Value per ETC Security for the Final Redemption Valuation Date the Determination Agent does not just look at the db Example Commodity Index level for the Final Redemption Valuation Date; instead, it needs to look at that date and the next four business days.

For this example, we will assume that the db Example Commodity Index levels for certain selected days in 2060 are as follows:

Day	db Example Commodity Index level
Wed 31 March 2060	3250.12
Fri 16 April 2060	3256.89
Mon 19 April 2060	3258.12
Tue 20 April 2060	3258.99
Wed 21 April 2060	3259.05
Thu 22 April 2060	3258.23

The Determination Agent needs to calculate the average of the db Example Commodity Index levels for Friday 16 April 2060 to Thursday 22 April 2060. To do this it adds up the values and then divides by five:

$$\frac{3256.89 + 3258.12 + 3258.99 + 3259.05 + 3258.23}{5} = 3258.26$$

Step 2: Using that average, the Determination Agent then needs to calculate the percentage increase or decrease in the value of the db Example Commodity Index level since the end of the previous calendar month (i.e. since 31 March 2060). In this example, the db Example Commodity Index level has risen from 3250.12 to our average value of 3258.26, an increase of 8.14. This is a percentage increase of 0.25%.

Step 3: The Determination Agent then applies the same percentage increase or decrease to the Value per ETC Security as it stood at the end of the previous calendar month. For this example, let's assume that the Value per ETC Security on 31 March 2060 was 276.32. Therefore, we need to increase 276.32 by 0.25%. This gives a result of 277.01.

Step 4: The Determination Agent then needs to subtract the aggregate fee charged in respect of the ETC Securities since the end of the previous calendar month. This will be calculated to (and including) the Final Redemption Valuation Date, a period of 16 days. We will assume that the daily fee amount is still 0.003203345, which would mean that 16 days' worth of that fee is equal to 0.05125352.

The Determination Agent then needs to take that amount off the value it arrived at in Step 3. So it needs to take 0.05125352 from 277.01. This gives 276.96.

In this example, 276.96 will be the Redemption Amount per ETC Security on 30 April 2060.

The above calculation shows how the Final Redemption Amount of an ETC Security is calculated and how it relates to the Value per ETC Security. However, ETC Securities are long-dated securities (typically around 50 years from their initial issue date). This means that if an investor wants to realise its investment prior to the Scheduled Maturity Date it will need to sell its ETC Securities to a purchaser prior to their Scheduled Maturity Date.

16 How do I buy and sell ETC Securities?

Investors can buy and sell ETC Securities in the same manner as they buy and sell other listed securities. Investors trading ETC Securities intraday are given a “bid price”, at which the investors can sell an ETC Security, and an “offer price” representing the pricing point at which investors can buy their ETC Securities in the market.

The bid and offer prices for ETC Securities at any time are likely to be different than the Value per ETC Security. This is because the bid and offer prices reflect market liquidity and other market conditions at a particular time, whereas the Value per ETC Security is calculated based on the closing price of the commodity Index.

17 What fees do I pay?

There are potentially three fees that apply to a Series of ETC Securities. These are:

- a product fee
- a collateral fee which reflects the cost to the Swap Counterparty of providing collateral under the Swap Agreement and
- a swap replication fee or index fee embedded in the terms of the commodity Index.

The level of these fees may vary from time to time.

The Product Fee Percentage and the Maximum Product Fee Percentage will be specified in the Final Terms for a Series of ETC Securities. For most Series, the Product Fee Percentage is set at 0.45% per annum. A lower fee than the Maximum Product Fee Percentage may be charged at the discretion of the Programme Swap Counterparty.

The collateral fee represents the costs to the Swap Counterparty of providing collateral under the Swap Agreement. For Gold collateral, the collateral fee percentage is based on the prevailing rate at which Gold can be lent between market participants plus a Gold Spread specified in the Final Terms, but will be subject to a minimum of 0.10% per annum. For collateral in the form of Eligible Financial Instruments, the collateral fee will be the Maximum Collateral Fee Percentage specified in the Final Terms or a lower fee at the discretion of the Programme Swap Counterparty. The current Collateral Fee Percentage and any proposed change to the percentage shall be published on www.etc.db.com (or its successor). Securityholders will be given not less than 30 calendar days' prior notice in accordance with the Conditions of any change to the Gold Spread or the Collateral Fee Percentage relating to Eligible Financial Instruments.

ETC Securities tracking a benchmark index may also have a swap replication fee. The swap replication fee will be the Maximum Swap Replication Fee Percentage specified in the Final Terms or a lower fee at the discretion of the Programme Swap Counterparty. The swap replication fee and any proposed change to the percentage shall be published on www.etc.db.com (or its successor). Securityholders will be given not less than 30 calendar days' prior notice in accordance with the Conditions of any change to the fee.

For ETC Securities tracking indices with roll-optimisation and/or using a currency hedge overlay, an index fee may be charged instead of the swap replication fee. The index fee and any proposed change to the percentage shall be published on www.etc.db.com (or its successor).

The fees are charged on a daily basis on the Value per ETC Security as at the last business day of the previous calendar month.

18 Can my ETC Securities redeem before the Scheduled Maturity Date?

Yes. There are a number of instances where the ETC Securities might redeem prior to the Scheduled Maturity Date. These are:

- if the Issuer exercises its call option
- if the Swap Counterparty exercises its right to terminate the Swap Transaction
- if the Swap Transaction expires in accordance with its terms without being renewed
- upon the occurrence of an Event of Default or other Early Redemption Event.

Where the ETC Securities redeem early the Early Redemption Amount per ETC Security will be calculated in the same manner as the calculation of the Final Redemption Amount described in “How do I obtain a return from investing in ETC Securities?” i.e. using an average five business day period over which to observe the Index level (other than in certain Swap Counterparty default scenarios where the Index level will be observed on one day only).

19 *When can the Issuer exercise its call option?*

The Issuer may at any time elect to redeem all the ETC Securities of a Series and designate an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date may not be earlier than the 60th calendar day following the date of the relevant notice from the Issuer.

20 *When can the Swap Counterparty elect to terminate the Swap Transaction?*

The Swap Counterparty relating to a Series of ETC Securities may, on giving not less than 60 calendar days’ irrevocable notice to the Issuer, elect to terminate the Swap Transaction relating to such Series of ETC Securities. Such notice may only be delivered if no Swap Counterparty Event of Default (or event which, with the giving of notice or the lapse of time or both, would constitute a Swap Counterparty Event of Default) or Swap Counterparty Termination Event has occurred and is continuing under the Swap Agreement. The Swap Counterparty shall not and is not required to consider the interests of Securityholders when exercising any such termination right.

21 *When might the Swap Transaction expire prior to the Scheduled Maturity Date?*

The Swap Transaction relating to the ETC Securities may have a scheduled term that is less than the term of the ETC Securities. No later than 90 calendar days prior to the last day of the initial term or previously extended term of the Swap Transaction, as applicable, the Swap Counterparty will, pursuant to the terms of the Swap Agreement, elect either to extend the term of the Swap Transaction for such additional period as may be agreed between the Issuer and the Swap Counterparty (provided that such additional period is not less than one calendar year and not more than the period remaining to the Scheduled Maturity Date of the relevant ETC Securities) or for the Swap Transaction to terminate when scheduled. The Swap Counterparty has no obligation to consider the interests of the Securityholders when deciding whether or not to extend the term of the Swap Transaction. If the Swap Counterparty does not elect to extend the term of the Swap Transaction, an Early Redemption Event will occur on the scheduled termination date of the Swap Transaction.

22 *What Events of Default and other Early Redemption Events apply to the ETC Securities?*

The ETC Securities of a Series may become due and payable prior to their Scheduled Maturity Date as further described in Conditions 8 and 14 in connection with the occurrence of any of the following events:

- certain legal or regulatory changes occur in relation to the Issuer

- the Index Sponsor permanently cancels the Index and the Swap Counterparty determines that no Successor Index exists
- the termination of the Swap Agreement, whether as a result of a default by one of the parties, for tax reasons, as a result of illegality or a force majeure event or for other reasons. See Condition 8(d)(iv) for a description of the circumstances in which the Swap Agreement may be terminated or terminate automatically
- the Determination Agent, the Issuing and Paying Agent, the Programme Swap Counterparty, the Custodian, the Registrar (in the case of ETC Securities in registered form), the Lead Authorised Participant and/or all the Authorised Participants, as applicable, resign or their appointment is terminated for any reason and the Issuer gives notice that no successor or replacement has been appointed within 60 calendar days of the date of the relevant notice of resignation or termination or the date of any automatic termination, as applicable
- the Value per ETC Security for such Series is not published for 14 consecutive Non-Disrupted Scheduled Valuation Days
- the Value per ETC Security is less than or equal to 10 per cent. of the Issue Price as at the Series Issue Date for two consecutive Non-Disrupted Scheduled Valuation Days
- a Securityholder does not, upon request, receive a firm bid price from an Authorised Participant for five consecutive Non-Disrupted Scheduled Valuation Days and, following the requisite notices being given, such Securityholder does not receive a firm bid price for the relevant ETC Securities during a further 20 consecutive Non-Disrupted Scheduled Valuation Day period or
- an Event of Default occurs under the ETC Securities and the Trustee gives the relevant notice.

23 What are Disruption Events and why do they matter?

If, under the Swap Agreement relating to a Series of ETC Securities, the Swap Counterparty gives a Disruption Event Notice in respect of a Scheduled Valuation Day, then the publication of the Value per ETC Security in respect of such Scheduled Valuation Day will be postponed and the Value per ETC Security will be determined using the Closing Index Level determined in respect of such Scheduled Valuation Day by the Swap Calculation Agent in accordance with the provisions of the Swap Agreement. Such determination may not be for a number of days. Investors should be aware that the Closing Index Level determined by the Swap Calculation Agent may differ from the official closing index level (if any) determined and published by the relevant Index Sponsor in respect of such Scheduled Valuation Day.

A Disruption Event Notice may be given in connection with the following events:

- the Index Sponsor fails to calculate and announce the Closing Index Level of the Index
- the Index Sponsor permanently cancels the Index
- the material suspension of, or material limitation imposed on trading in any of the component(s) of the Index
- the relevant trading facility in respect of any component of the Index is closed for any reason
- the relevant reference price relating to any component of the Index increases or decreases from the immediately preceding day's reference price by the maximum amount permitted by the relevant trading facility

- the permanent discontinuation of trading in any component of the Index on the relevant trading facility; the disappearance of, or of trading in, any component of the Index; or the disappearance or permanent discontinuance or unavailability of the relevant reference price for any component and/or
- an event in connection with which the Swap Counterparty or any of its Affiliates is (or would be) (A) unable, after using commercially reasonable efforts to: (I) hold, acquire or dispose of any component of the Index; (II) enter into, maintain, re-establish or unwind any hedging arrangement entered into by (or on behalf of) the Swap Counterparty in connection with the Swap Agreement and/or the Credit Support Deed; and/or (III) realise, recover or remit the proceeds of any component of the Index and/or hedging arrangement entered into by (or on behalf of) the Swap Counterparty in connection with the Swap Agreement and/or the Credit Support Deed, or (B) required pursuant to a ruling, direction or other instruction of (I) any applicable government, governmental or regulatory body or other relevant institution (including, without limitation, the Commodity Futures Trading Commission or any relevant trading facility) or (II) the board or internal management of the Swap Counterparty, to unwind or transfer to another entity all or part of any hedging arrangement entered into by (or on behalf of) the Swap Counterparty in connection with the Swap Agreement and/or the Credit Support Deed.

If the Swap Counterparty determines that a Disruption Event has occurred or exists with respect to a Scheduled Valuation Day, the Swap Counterparty may give a Disruption Event Notice and the Swap Calculation Agent will, in accordance with the provisions of the Swap Agreement and the timings set out therein, determine the Closing Index Level of the Index in respect of such Scheduled Valuation Day by reference to the formula for calculating such Closing Index Level last in effect, subject to the provisions of Condition 9(b).

The delivery of a Disruption Event Notice by the Swap Counterparty and the determinations of the Swap Calculation Agent under the Swap Agreement (including, without limitation, the calculation of the Closing Index Level) may have an adverse effect on the quantum and on the timing of the calculation and publication of the Value per ETC Security of the ETC Securities to which such Swap Agreement relates and may result in an adjustment to the Conditions of the ETC Securities and/or the early redemption of the ETC Securities.

24 What is an Adjustment Event?

The Swap Counterparty may, on any Scheduled Valuation Day, determine that an Adjustment Event has occurred or exists and deliver an Adjustment Event Notice in connection therewith. The Adjustment Events include (i) the Index Sponsor cancelling the Index and a Successor Index being identified; (ii) the Index Sponsor announcing that it will make a material change in the formula for, or the method of, calculating the Index or in any other way materially modifying the Index; and (iii) the occurrence of a Disruption Event.

If an Adjustment Event Notice is delivered, the Swap Calculation Agent may determine in good faith and in a commercially reasonable manner that an adjustment to one or more terms of the Swap Agreement is appropriate to account for the economic effect on the Swap Transaction of the relevant Adjustment Event. If the Swap Calculation Agent makes such a determination, it will determine the adjustment(s) to the terms of the Swap Agreement, the Swap Transaction and to the Conditions of the ETC Securities in connection therewith and the effective date of such adjustment(s). There can be no assurance that any such adjustment made to the Conditions of the ETC Securities to account for the economic effect of an Adjustment Event will not have an adverse effect on the Value per ETC Security of the ETC Securities.

25 *When might the Value per ETC Security not be published?*

A Value per ETC Security in respect of a Scheduled Valuation Day may not be published or the publication thereof may be delayed if the Swap Counterparty determines that a Disruption Event or an Adjustment Event occurs or exists in respect of a Scheduled Valuation Day and the relevant Series of ETC Securities and the Swap Counterparty notifies the Issuer and the Determination Agent of its determination. In certain circumstances where the Value per ETC Security in respect of a Scheduled Valuation Day might otherwise not be calculated, the Value per ETC Security will be deemed to be equal to the Value per ETC Security determined in respect of the last preceding Scheduled Valuation Day in respect of which a Value per ETC Security was determined and published for the purposes of the ETC Securities.

In relation to the Final Redemption Valuation Date or, if any, the Early Redemption Valuation Date, if the Value per ETC Security for the Fee Calculation Reset Day immediately preceding the Final Redemption Valuation Date or, as the case may be, the Early Redemption Valuation Date is not determined and published in accordance with Condition 5 (other than where such failure occurs in connection with the occurrence or existence of a Disruption Event) then the Value per ETC Security in respect of such Final Redemption Valuation Date or, as the case may be, Early Redemption Valuation Date, shall be deemed to be equal to the Value per ETC Security determined in respect of the last Scheduled Valuation Day prior to the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, in respect of which a Value per ETC Security was determined and published for the purposes of the ETC Securities. If this occurs in relation to the Early Redemption Valuation Date or Final Redemption Valuation Date in respect of a Series of ETC Securities, the Early Redemption Amount or Final Redemption Amount would not reflect any positive performance of the relevant Index subsequent to the last preceding Scheduled Valuation Day in respect of which a Value per ETC Security was determined and published for the purposes of the ETC Securities of that Series.

26 *How much of your investment is at risk?*

All of your investment is at risk if the relevant commodity Index performs poorly.

27 *Who is the "holder" of ETC Securities?*

If the ETC Securities are held through a clearing system (which will usually be the case if so specified in the Final Terms), the legal "holder" will either be the entity nominated by the clearing system as the depositary for the ETC Securities or the person entered in the register as the Securityholder. As an investor, your rights in relation to the ETC Securities will be governed by the contract you have with your broker, custodian or other entity through which you hold your interest in the ETC Securities and the contracts they have with the clearing system and any intermediaries in between. Accordingly, where this Base Prospectus describes a right as being owed to, or exercisable by, a Securityholder then your ability to benefit from or exercise such right will be dependent on the terms of the contracts in such chain.

28 *What rights do Securityholders have against the Issuer?*

Securityholders' rights include the right to any payments or deliveries payable to holders of ETC Securities in accordance with the Conditions. Securityholders may also have the right to make certain determinations or decisions (which may sometimes be required to be by a resolution of Securityholders or which may simply require a direction in writing by a specified percentage of Securityholders) and the Issuer may only take certain actions with respect to the ETC Securities if approved by Securityholders. Securityholders should note that, notwithstanding they may be owed payments under the ETC Securities, their rights of direct action against the Issuer are limited as the right to take such action is generally instead vested in the Trustee (see Question 31 below).

29 *What are the requirements for exercising Securityholders' rights in respect of the ETC Securities?*

The Conditions specify the requirements for exercising each right in respect of the ETC Securities, including the person (if any) that is entitled to enforce such right on behalf of the Securityholders and the required percentage of Securityholders (if any) that may direct such person to enforce such right. For example, the Conditions specify that only the Trustee may exercise the right to enforce the security on behalf of Securityholders if a default in payment by the Issuer has occurred. The Securityholders may direct the Trustee to exercise such rights by way of an Extraordinary Resolution or in writing by Securityholders of at least one-fifth in number of the relevant Series of ETC Securities and provided that the Trustee has been secured and/or pre-funded and/or indemnified to its satisfaction. An "Extraordinary Resolution" means a resolution passed at a duly convened meeting by a majority consisting of not less than 75% of the votes cast at such meeting or a resolution in writing signed by or on behalf of Securityholders of not less than 75% of the aggregate number of ETC Securities of that Series.

30 *How do you exercise a right to vote or enforce your rights in respect of the ETC Securities?*

If the ETC Securities are held through a clearing system then, as rights under the ETC Securities can only be exercised by the legal holders (see Question 27 above), you must contact the custodian, broker or other entity through which you hold your interest in the ETC Securities if you wish for any vote to be cast or direction to be given on your behalf.

31 *Who can enforce your rights against the Issuer if the Issuer has failed to make a payment on the ETC Securities?*

The Issuer has executed a Trust Deed in respect of the ETC Securities, under which it has covenanted to the Trustee that it will make the relevant payments due on the ETC Securities. The Trustee holds the benefit of this covenant for Securityholders. If the Issuer fails to make a payment or delivery when due, only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Securityholders, unless the Trustee fails or neglects to do so within a reasonable time after having become bound to do so and such failure is continuing.

32 *Who makes calculations in respect of the ETC Securities?*

The Determination Agent will calculate the Value per ETC Security, Final Redemption Amount and Early Redemption Amount in respect of the ETC Securities.

33 *Who makes calculations in respect of the Index?*

The Index Sponsor is responsible for the composition, calculation and maintenance of the relevant commodity Index. The Issuer, the Determination Agent and the other Transaction Parties will use the official closing level of the relevant Index published by the relevant Index Sponsor when making certain calculations and determinations subject to and in accordance with the Conditions and the relevant Transaction Documents relating to the relevant Series of ETC Securities.

34 *Are there any fees, expenses or taxes to pay when purchasing, holding or selling ETC Securities? What other taxes might affect the ETC Securities?*

You may incur fees and expenses in relation to the purchase, holding, transfer and sale of ETC Securities. You should also be aware that stamp duties or taxes may have to be paid in accordance with the laws and practices of the country where the ETC Securities are transferred.

You should note that, if the Issuer or any agent is required by applicable law to apply any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature, it will account to the relevant authorities for the amount so required to be

withheld or deducted and only pay the net amount after application of such withholding or deduction. None of the Issuer nor any agent will be obliged to make any additional payments to you in respect of such withholding or deduction.

You should consult your selling agent for details of fees, expenses, commissions or other costs and your own tax advisors in order to understand fully the tax implications specific to investment in any ETC Securities.

35 *Can the Issuer amend the Conditions of ETC Securities once they have been issued without your consent?*

The Issuer may amend the Conditions of a Series of ETC Securities without the consent of the Securityholders only if the Trustee determines that the relevant amendment is of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the Securityholders in accordance with the terms of the Trust Deed. Any such determination shall be binding on the Securityholders. Any such amendment requires the consent of the Lead Authorised Participant and the Programme Swap Counterparty.

36 *Are ETC Securities contracts for differences?*

ETC Securities may constitute contracts for differences and investors should consider consulting their professional advisers on the implications of that for them.

37 *How will the Authorised Participant determine its purchase or sale price of ETC Securities in the secondary market?*

The price (if any) provided by an Authorised Participant for the purchase or sale of ETC Securities in the secondary market (whether in an on-exchange or off-exchange transaction) will be determined at the absolute discretion of that Authorised Participant by reference to such factors as it sees fit. The Authorised Participant(s) may maintain such bid/offer spread as it determines in its absolute discretion. The bid/offer spread is the difference between the bid price (i.e. the price at which a holder can sell ETC Securities to the Authorised Participant) and the offer price (i.e. the price at which a holder can buy ETC Securities from the Authorised Participant). Any price provided by an Authorised Participant or other secondary market price may take into account fees, charges, duties, taxes, commissions and/or other factors. Any price given by an Authorised Participant will be quoted as of a particular date and time and will not therefore reflect any subsequent changes in the market price of the ETC Securities and/or any other factors relevant to the determination of the price.

38 *Can ETC Securities be invested in by a UCITS?*

Prospective investors comprising a scheme which is an undertaking for collective investment in transferable securities subject to the Council Directive of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (No 85/611/EEC) (the “**UCITS Directive**”), as amended, need to satisfy themselves that an investment in the ETC Securities would comply with any regulations and/or guidelines applicable to them pursuant to the UCITS Directive and any laws, regulations or guidelines of their jurisdiction of incorporation and would be in line with their individual investment objectives.

39 *When can Posted Collateral be substituted?*

The type of property comprising the Posted Collateral relating to a Credit Support Deed and a Series of ETC Securities as at the Series Issue Date will be specified in the relevant Final Terms. Pursuant to the terms of the Credit Support Deed, the Swap Counterparty may, in certain limited circumstances substitute Posted Collateral comprising Gold for Eligible Collateral comprising of

Eligible Financial Instruments and *vice versa*. The Posted Collateral relating to a Credit Support Deed and a Series of ETC Securities at any time may only comprise Gold or Eligible Financial Instruments and may not comprise of a mixture of Gold and Eligible Financial Instruments. Securityholders will be given not less than 30 calendar days' prior notice of any such substitution. See Condition 11(d) for a description of the circumstances in which Posted Collateral may be substituted.

40 *Do holders of ETC Securities own the Posted Collateral?*

Investing in the ETC Securities will not make an investor the owner of any Gold or Eligible Financial Instruments comprising the Posted Collateral. Any amounts payable on the ETC Securities will be made in cash and the holders of the ETC Securities will have no right to receive delivery of any Gold or Eligible Financial Instruments comprising the Posted Collateral at any time.

41 *Do holders of ETC Securities have any ownership rights in respect of the Index?*

Under the Swap Agreement relating to the ETC Securities, the Issuer will have a contractual relationship only with the Swap Counterparty. The Swap Agreement will not constitute a purchase or other acquisition of any interest in any commodity or commodity futures contract comprising the Index. The Issuer and the Trustee, therefore, will have rights solely against the Swap Counterparty in accordance with the Swap Agreement and will have no recourse to any commodity or commodity futures contract comprising the Index. No Securityholder nor the Issuer nor the Trustee will have any rights under the Swap Agreement to acquire any interest in any commodity or commodity futures contract comprising the Index.

DESCRIPTION OF THE COMMODITY INDICES

The ETC Securities are index linked securities. Prospective investors should note that the amount payable in respect of the ETC Securities and the Value per ETC Security of the ETC Securities is linked to the performance of the underlying commodity Index specified in the relevant Final Terms, as may be replaced, substituted or otherwise adjusted from time to time in accordance with the Conditions.

Indices

An Index can be based on one commodity or multiple commodities, and on the spot price or the price of a futures contract in relation to each commodity. It would typically employ a specified rolling methodology in relation to the periodic replacement of each commodity futures contract and where it was composed of multiple commodities would typically employ a specified method of determining the allocation as between those commodities and would rebalance their weights periodically. Such an Index might be denominated in USD or another currency, might be calculated on an “excess return” or a “total return” basis, and might employ hedging, leverage or other features which are explained in the “General” section below.

Prospective investors should review the information, rules and disclosure published by relevant Index Sponsor on its website which will be specified in the Final Terms.

The Issuer is not incorporating by reference any such website or any material it includes into this document.

General

Each Index is linked, at any point in time, to the price of one or more commodities or commodity futures contracts. A commodity futures contract is an agreement either (i) to buy or sell a set amount of a physical commodity at a predetermined price for delivery within a predetermined delivery period (which is generally referred to as a “**delivery month**”), or (ii) to make or receive a cash payment based on changes in the price of the physical commodity. Prices for commodity futures contracts change based on the time until the predetermined delivery period (which is sometimes called the “**future curve**”). Commodity futures contracts comprising an index will be replaced with new contracts which have a later delivery date as their respective delivery periods approach.

An Index may be designed to provide exposure to (i) a basket of different commodities or commodity futures contracts (whose weights may be constant or rule based) (a “**Multiple Commodity Index**”) or (ii) to a single commodity or commodity futures contract (a “**Single Commodity Index**”), or (iii) to a basket of commodity sub-indices (whose weights may be constant or rule based) (a “**Commodity Sub-Indices Basket Index**”) and, in any case:

- may, in respect of each commodity, reference the spot price of the commodity or the price of one or more commodity futures contracts;
- may provide long or short exposure;
- may employ leverage or be unleveraged;
- may employ a target volatility mechanism;
- may be denominated in the base currency of the commodity or another currency, and in the latter case may be calculated on a currency hedged or un-hedged basis;
- may or may not be net of index replication costs;
- may be calculated on an “excess return” basis or a “total return” basis; and
- may employ one of the commodity allocation strategies described below.

These and other features are explained below.

Each sub-index in a Commodity Sub-Indices Basket Index may be a commodity index having any of the features referred to above.

Long

An index which provides a long exposure would benefit investors if the price of the commodities or commodity futures contracts underlying the Index increases on an aggregate basis and would incur a loss to investors if such price decreases.

Short

An index which provides a short exposure would benefit investors if the price of the commodities or commodity futures contracts underlying the index decreases on an aggregate basis and would incur a loss to investors if such price increases. In respect of a commodity, the performance of an index providing a short exposure will not be the exact inverse of an index providing a long exposure. The performance will diverge depending on the frequency of the rebalancing (see *Rebalancing* below) of the index with the short exposure.

Leverage

An index which provides a leveraged exposure will magnify the losses or gains to investors resulting from a change in the price of the commodities or commodity futures contracts underlying the index as compared to an otherwise identical index that does not employ leverage. In respect of a commodity, the performance of an index providing a leveraged exposure will not be an exact multiple of an index providing a non-leveraged long exposure. The performance may depend on the frequency of the rebalancing of the index with the leveraged exposure (see *Rebalancing* below).

Excess Return

The performance of an index calculated on an “excess return” basis reflects the change in value of the commodity futures contract referenced by the index over the period under consideration. The excess return of an index based on a commodity futures contract is determined by (i) the change in the value of the commodity futures contract over the period under consideration and (ii) the roll return that is realised at the time of selling an existing commodity futures contract and buying a new commodity futures contract.

Total Return

The performance of an index calculated on a “total return” basis is constructed by compounding the returns of an excess return index using a pre-determined rate (typically the relevant three-month USD Treasury bill rate).

Spot

The performance of an index calculated on a “spot return” basis reflects the change in the spot price of the commodities referenced by the index.

Currency Hedged and Un-hedged Indices

Most commodities and commodities futures contracts are traded in a base currency (typically, but not exclusively USD) and therefore most commodity indices have levels that are also referenced in the base currency. If a Series of ETC Securities is denominated in a currency other than the base currency, an Index may include a currency conversion component to convert a level expressed in the base currency into a level in the same currency as the ETC Securities. The level of such Index may reflect the effect of a rolling currency hedge (a “**Hedged Index**”) or may not contain this element (an “**Unhedged Index**”).

After Costs

Each level of an Index may be net of index replication costs (“**after costs**”). Index replication costs are the costs that the relevant index sponsor charges for compiling and running the relevant index and are stated in the relevant index description and rules published by the relevant index sponsor.

Target Volatility

Target volatility is a mechanism that may be employed with respect to an index with a view to monitor/control the risk by maintaining the volatility of such index around a pre-determined target volatility level. The relevant index sponsor determines the notional exposure of the index to the relevant underlying commodity or commodities based on the ratio of the pre-determined target volatility level to the realised volatility level over a pre-determined period of time as described in the relevant index description, and rebalances the notional exposure of the index on a periodic basis.

Commodity Allocation

The weight of different commodities, commodities futures contracts or commodity sub-indices in an index can be fixed or variable as determined by the rules outlined in the relevant index description. Index weights may be determined by a rule-based mechanism or through a discretionary mechanism as detailed in the relevant index description. The following are some of the mechanisms which may be used:

Fixed Units Strategies

The units notionally invested in the underlying commodities or commodity futures contracts are fixed on the start date of the index and are not subject to changes. This type of index is not rebalanced on a periodic basis.

Fixed Weight Strategies

This type of index is characterised by a fixed, pre-specified weight “**Base Weight**” for each index component. Since the actual weight of each component changes as the relative price of the various components change, this type of index is rebalanced back to the Base Weights on a periodic basis. The Base Weights may change in exceptional circumstances to reflect structural changes in commodity markets or regulatory requirements.

Booster Strategies

This type of index aims to match the composition of a specified third party index, however a different roll strategy is employed. The index weights are rebalanced on a periodic basis (typically annually) to match the weights of the commodities in the relevant third party index. If an ad hoc rebalancing occurs under the third party index during the year, a corresponding ad hoc rebalancing will occur in the index. If a commodity is added or removed from the third party index, this will be replicated by the index.

Mean Reversion Strategies

Indices employing mean reversion rebalancing mechanics are based on the idea that commodity prices tend to oscillate around a (potentially time dependent) long term “fair” value. On a rebalancing date, the weight of a given index component is typically reduced if, according to a pre-specified measure, short term prices are deemed to be “expensive”, on an absolute or relative basis, with respect to its long term “fair” value. Similarly, an index component weight is typically increased if short term price measures indicate that the commodity is “cheap” with respect to its long term “fair” value. This type of index is rebalanced on a periodic basis.

Risk Weighted Strategies

This type of index aims to achieve a pre-specified level of risk for each underlying component. The way in which risk is measured is specified in advance and is typically a function of the volatilities and correlations of the various index components. Weights are adjusted on each rebalancing date in such a way so as to minimize the difference between actual and target risk levels for each index component. This type of index is rebalanced on a periodic basis.

Momentum Strategies

This type of strategy aims to take advantage of a directional price trend in a single or a group of index components. If a positive price trend is detected (using a pre-specified measure), the weight of such component is typically increased on the relevant rebalancing date. Conversely, if a negative price trend is detected, the weight of such component is typically decreased. The weight of each component may be positive or, if permitted under the index rules, negative. This type of index is rebalanced on a periodic basis.

Alpha/Relative Value Strategies

This type of strategy typically consists of a series of long positions (positive weight) in one or more index components offset by a series of short positions (negative weight) in one or more index components. For example, such indices may assign a positive weight to one futures contract and a negative weight to some other futures contract for the same commodity. However, it is also possible for certain commodities to have only positive weights and for others to have only negative weights. This type of index is rebalanced on a periodic basis.

Mixed Strategies

This type of index may employ more than one of the strategies outlined above at any point in time. Two or more of these strategies may be used at the same time. Alternatively, the index may specify in advance criteria to switch from one strategy or one group of strategies to another under certain circumstances. This type of index is typically rule-based and is rebalanced on a periodic basis.

Managed Strategies

Managed Strategies are similar to Mixed Strategies but the weights of each index component (e.g. a futures contract or a commodity sub-index) are not rule-based but are typically determined by a manager or an index allocation agent or may be linked to some research publication. Managed strategies may employ a combination of simpler strategies like Momentum, Mean Reversion, etc.

Rebalancing

The notional exposure of commodities, commodities futures contracts or commodity sub-indices in a basket index will be rebalanced on a periodic basis to either fixed weights or variable weights (see *Commodity Allocation* above) as detailed in the relevant index description.

Roll mechanism

If the underlying of an index is a commodity futures contract, then the index will employ a roll mechanism that will determine how an existing commodity futures contract will be replaced (i.e. notionally sold and purchased) with another commodity futures contract which has a later delivery date. Below are some of the roll mechanisms which may be used:

Pre-specified Roll Schedule

The roll schedule is fully deterministic. The replacement contract in respect of a futures contract with a given delivery date is specified in advance and it is not dependent on market factors.

Rule-based Roll Schedule

The roll schedule is not known in advance but it is based on a pre-specified rule which depends, in general, on various market variables such as, but not limited to, forward curves, volatilities, liquidity parameters etc. The following are rules-based rolling mechanisms:

Optimum Yield Roll Mechanism

The Optimum Yield (OY) strategy employs a rule-based roll mechanism which aims to maximise positive and minimise negative roll returns. During a roll period the existing futures contract for the relevant commodity is replaced by the futures contract with the highest implied roll yield among a set of eligible future contracts with later expiries. The “**implied roll yield**” of an eligible futures contract is defined as:

$$\left(\frac{P^0}{P^i} \right)^{\frac{1}{\text{daycount}}} - 1$$

where P^0 is the price of the existing contract, P^i is the price of eligible contract “i” and “**daycount**” is the number of calendar days between the expiry dates of the existing contract and eligible contract “i” divided by 365.

Optimum Yield Enhanced Roll Mechanism

The Optimum Yield Enhanced (OYE) strategy is a rule-based strategy similar to the OY in that it seeks to maximise positive and minimise negative roll returns. The OYE methodology is different from the OY methodology primarily in two ways:

- (i) For each commodity the relevant index is notionally invested at any point of time in a basket of three futures contracts (of short, medium and long duration) rather than a single futures contract. As futures contracts in the basket come closer to expiration, they are replaced with contracts with later expiries determined by a pre-specified roll schedule.
- (ii) For each commodity, the OYE strategy selects on a periodic basis the weights to assign to the three eligible futures contracts in the basket based on their “volatility adjusted implied roll yields”. The implied roll yield of each eligible contract is determined in accordance with the formula in the paragraph above, except that for P^0 it uses the price of a reference short dated contract (“**Spot Contract**”). For each roll period the Spot Contract is the same for all eligible contracts. The implied roll yield of each eligible contract is then rescaled by the volatility of the difference between a) the daily price returns of such eligible contract and b) the daily price returns of the Spot Contract.

Additional information about the OY and OYE methodology as well as a detailed description of the commodity indices and sub-indices employing such methodology, their performance and volatility is available on the following website: <https://index.db.com>. The Issuer is not incorporating by reference the website or any material it includes into this document.

MASTER TERMS AND CONDITIONS OF THE ETC SECURITIES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the ETC Securities. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the relevant Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on the Bearer Securities. For the avoidance of doubt, the blanks in the text of these terms and conditions shall be deemed to be completed by the information contained in the relevant Final Terms as if such information were inserted in such provisions; alternative or optional provisions in these terms and conditions which are not specified or which are expressly disappplied or deleted in the relevant Final Terms shall be deemed to be deleted from these terms and conditions; and all provisions of these terms and conditions which are inapplicable to the ETC Securities (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these terms and conditions, as required to give effect to the terms of the relevant Final Terms. References in these terms and conditions to “ETC Securities” are to the ETC Securities of one Series only, not to all ETC Securities that may be issued under the Programme.

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

A non-binding translation of the following text of the terms and conditions may be prepared in relation to this Series of ETC Securities. The English language version of the terms and conditions shall be binding and prevail in all circumstances. Any such translations will not be reviewed and approved by the FCA or the UK Listing Authority or any another similar body in any other jurisdiction.

Copies of the relevant Issue Deed, the Master Trust Terms, the Master Security Terms, the Master Terms and Conditions, the Master Custody Terms, the Master Agency Terms, the Master Determination Agent Terms, the Master Authorised Participant Terms and the Master Swap and Credit Support Terms referred to in these terms and conditions are available for inspection during normal business hours at the specified office of the Issuer, the Trustee, the Issuing and Paying Agent [If Uncertificated Registered Securities, text will apply or be inserted –, the Registrar] and at the specified offices of each of the Paying Agents and will be sent to a prospective or current Securityholder on request to the Issuer, the Issuing and Paying Agent [If Uncertificated Registered Securities, text will apply or be inserted –, the Registrar] or a Paying Agent.

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

1 Definitions

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

“**Accrued Fee**” has the meaning given to it in Condition 5(b).

“**Additional Swap Termination Event**” has the meaning given to it in Condition 8(d)(iv)(C).

“**Adjustment Event**” has the meaning given to it in Condition 9(e)(ii).

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

“**Adjustment Terms Notice**” has the meaning given to it in Condition 9(e)(iii).

“Affiliate” means, in relation to any person or entity, any other person or entity controlled, directly or indirectly, by the person or entity, any other person or entity that controls, directly or indirectly, the person or entity or any other person or entity directly or indirectly under common control with the person or entity. For these purposes, **“control”** of any entity or person means the power, directly or indirectly, either to (a) vote 10 per cent. or more of the securities having ordinary voting power for the election of directors of the relevant person or entity or (b) direct or cause the direction of the management and policies of such person or entity whether by contract or otherwise.

“Agency Agreement” means the agency agreement dated on or about the Series Issue Date of the ETC Securities entered into by the Issuer, the Trustee, the Issuing and Paying Agent[,]/[and] the Paying Agents[*If Uncertificated Registered Securities, text will apply or be inserted* – and the Registrar] and any other parties thereto by the execution of the Issue Deed and in the form of the Master Agency Terms (as amended and/or supplemented by the Issue Deed) and as such Agency Agreement is amended, supplemented, novated or replaced from time to time.

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

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

“Agents” means the Determination Agent, the Issuing and Paying Agent, the Custodian, the Paying Agents [*If Uncertificated Registered Securities text will apply or be inserted* –, the Registrar, the Transfer Agents] and any Liquidation Agent or any of them and such other agent(s) as may be appointed from time to time in relation to the ETC Securities under the Agency Agreement by acceding to the Issue Deed and the Agency Agreement or the Custody Agreement or the Determination Agent Agreement or any other agreement with the Issuer under which such agent is appointed from time to time in relation to the ETC Securities, as applicable, and any successor or replacement thereto and **“Agent”** means any of them.

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

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

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

“Appointee” has the meaning given to it in Condition 20(y).

“Arranger” means Deutsche Bank AG, London Branch in its capacity as arranger under the Programme and any successor and/or replacement thereto.

“Arranger Bankruptcy Event” means (i) the Arranger becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation, and/or (ii) an ISDA Credit Derivatives Determinations Committee announces that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to the Arranger.

“Authorised Participant” means (i) [*name of each Authorised Participant appointed as at the Series Issue Date for the ETC Securities to be specified in Final Terms*]; and (ii) any Eligible Authorised

Participant that is appointed as an Authorised Participant for this Series of ETC Securities under the Authorised Participant Agreement by acceding to the Issue Deed and the Authorised Participant Agreement, and any successor or replacement thereto.

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

“Authorised Participant Bankruptcy Event” means with respect to an Authorised Participant (i) such Authorised Participant becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator, or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation, and/or (ii) an ISDA Credit Derivatives Determinations Committee announces that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to such Authorised Participant.

“Automatic Additional Swap Termination Event” has the meaning given to it in Condition 8(d)(iv)(D).

“Average Redemption Closing Index Level” has the meaning given to it in Condition 5(b).

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

“Base Currency” has the meaning given to it in Annex 2 to the Conditions.

“Base Currency Equivalent” has the meaning given to it in Annex 2 to the Conditions.

“Bearer Securities” means ETC Securities issued in bearer form.

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

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

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

“Buy-Back Order” means a request from an Authorised Participant delivered to the Issuer for the Issuer to buy back from the Authorised Participant ETC Securities and which the Determination Agent determines is valid in accordance with the Authorised Participant Agreement.

“Buy-Back Redemption Amount” means, in respect of a purchase of an ETC Security by the Issuer, an amount per ETC Security determined by the Determination Agent equal to the Value per Security in respect of the relevant Buy-Back Trade Date minus a *pro rata* share of the Swap Unwind Costs (if any).

“Buy-Back Settlement Date” means, subject to Condition 9(c), the second Scheduled Valuation Day after the related Buy-Back Trade Date.

“Buy-Back Trade Date” means a Scheduled Valuation Day on which a Buy-Back Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the Authorised Participant Agreement.

[If Bearer Securities, text will apply or be inserted – “CGN” means a Global Security in classic global note form.]

“Change to Tax Event” has the meaning given to it in Condition 8(d)(iv)(F).

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

[If Uncertificated Registered Securities, text will apply or be inserted – “Clearing System Business Day” has the meaning given to it in Condition 12(b).]

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

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

“Closing Index Level” has the meaning given to it in Condition 5(b).

“Closing Index Valuation Period” means the period from (and including) the Final Redemption Valuation Date or, as applicable, the Early Redemption Valuation Date to (and including) the last Observation Date.

“Collateral Fee Percentage” has the meaning given to it in Condition 5(b).

“Collateral Switch Date” means, in respect of a substitution of Posted Collateral in the form of Gold for Eligible Financial Instruments, the Fee Calculation Reset Date on and from which such substitution becomes effective.

“Commodity Futures Trading Commission” means the Commodity Futures Trading Commission created by the United States congress in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States and any successor or similar body thereto.

“Commodity Regulatory Body” means any government, commission, regulatory body or agency that has authority to regulate any of the following: commodities, commodity futures contracts, commodity options and/or transactions on or relating to commodities, commodity futures contracts, commodity options and commodity indices in any relevant jurisdiction.

“Component” has the meaning given to it in Condition 9(a)(iii).

“Component Commodity Reference Price” has the meaning given to it in Condition 9(a)(v).

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

“Corporate Administrator” means, with respect to the Issuer, Deutsche International Corporate Services Limited whose registered office is at St. Paul’s Gate, New Street, St. Helier, Jersey, JE4 8ZB, Channel Islands and any successor or replacement thereto.

“Credit Support Deed” means the credit support deed relating to the Swap Agreement dated on or about the Series Issue Date of the ETC Securities entered into by the Issuer and the Swap Counterparty by the execution of the Issue Deed and in the form of the 1995 ISDA Credit Support Deed (Bilateral Form – Security Interest) published by the International Swaps and Derivatives Association, Inc. together with paragraph 13 thereto on the terms set out in the Master Swap and Credit Support Terms as amended

and/or supplemented by the Issue Deed and as such Credit Support Deed is amended, supplemented, novated or replaced from time to time.

“Credit Support Document” means the Credit Support Deed.

“Credit Support Provider” means any person specified as such with respect to a specified party in the relevant Final Terms.

“CREST” means the system for the paperless settlement of trades and the holding of uncertificated securities operated by EUI in accordance with the Uncertificated Regulations, as amended from time to time and any successor thereto.

“CSD Valuation Agent” has the meaning given to it in Annex 2 to the Conditions.

“Custodian” means Deutsche Bank AG, London Branch and any successor or replacement thereto.

“Custodian Bankruptcy Event” means (i) the Custodian becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation, and/or (ii) an ISDA Credit Derivatives Determinations Committee announces that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to the Custodian.

“Custody Agreement” means the custody agreement dated on or about the Series Issue Date of the ETC Securities entered into by the Issuer and the Custodian and any other parties thereto by the execution of the Issue Deed and in the form of the Master Custody Terms (as amended and/or supplemented by the Issue Deed) and as such Custody Agreement is amended, supplemented, novated or replaced from time to time.

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

“Determination Agent” means Deutsche International Corporate Services (Ireland) Limited and any successor or replacement thereto.

“Determination Agent Agreement” means the determination agent agreement dated on or about the Series Issue Date of the ETC Securities entered into by the Issuer, the Determination Agent, the Programme Swap Counterparty and any other parties thereto by the execution of the Issue Deed and in the form of the Master Determination Agent Terms (as amended and/or supplemented by the Issue Deed) and as such Determination Agent Agreement is amended, supplemented, novated or replaced from time to time.

“Determination Agent Bankruptcy Event” means (i) the Determination Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a

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

“Determination Agent Bankruptcy Event Notice” has the meaning given to it in Condition 12(d)(iii).

“Determination Agent Breach” has the meaning given to it in Condition 12(f).

“Deutsche Bank AG, London Branch” means Deutsche Bank AG acting through its London branch and any successor thereto.

“Disappearance of Component Commodity Reference Price” has the meaning given to it in Condition 9(a)(vi).

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

“Disruption Event Notice” has the meaning given to it in Condition 9(b).

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

“Early Redemption Date” means, the earlier of: (a) two London Business Days after the first day on which no sums remain owing to the Issuer in respect of the Swap Agreement following the relevant Early Redemption Valuation Date; and (b) the day falling 60 calendar days after the relevant Early Redemption Valuation Date (or, if such day is not a London Business Day, the first following London Business Day).

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

“Early Redemption Valuation Date” means:

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

“Eligible Authorised Participant” means any bank or financial institution (which for these purposes shall include any leading dealer or broker in instruments similar to the ETC Securities) incorporated, domiciled and regulated in an OECD country with a rating equal to the Eligible Authorised Participant Threshold Rating or higher (or the equivalent rating from any other Rating Agency).

“Eligible Authorised Participant Threshold Rating” means the rating of the relevant Rating Agency specified in the Final Terms.

“Eligible Collateral” means, subject to the requirements of the Credit Support Deed as described in Annex 2 to the Conditions, Gold or Eligible Financial Instruments which satisfy the eligibility requirements described in Annex 2, as such Annex may be amended and/or supplemented from time to time by agreement of the Issuer and the Programme Swap Counterparty.

“Eligible Counterparty” means any bank or financial institution (which for these purposes shall include any leading dealer or broker in commodity and commodity index swap transactions) incorporated,

domiciled and regulated in an OECD country with a rating equal to the Eligible Counterparty Threshold Rating or higher (or the equivalent rating from any other Rating Agency) or having the benefit of an enforceable guarantee from an Affiliate with a rating equal to the Eligible Counterparty Threshold Rating or higher (or the equivalent rating from any other Rating Agency).

“Eligible Counterparty Threshold Rating” means the rating of the relevant Rating Agency specified in the Final Terms.

“Eligible Custodian” means any bank or financial institution whose business includes the provision of custodial services and which (i) is incorporated, domiciled and regulated as a custodian in an OECD country, (ii) has a rating equal to the Eligible Custodian Threshold Rating or higher (or the equivalent rating from any other Rating Agency) and (iii) if the Posted Collateral comprises Gold, is an LBMA member, if applicable.

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

“Eligible Financial Instruments” means any of the financial instruments specified in Annex 2 to these Conditions, as such Annex 2 may be supplemented or amended from time to time by agreement of the Issuer and the Programme Swap Counterparty, provided that not less than 30 calendar days’ prior notice is given in accordance with Condition 19 to Securityholders of any change to such Annex.

“Employee Benefit Plan” has the meaning given to it in Condition 16(f).

“ERISA” has the meaning given to it in Condition 16(f).

“ETC Securities” has the meaning given to it in Condition 2.

“ETC Securities Swap Redemption Event” has the meaning given to it in Condition 8(d)(x).

“EUI” means Euroclear UK & Ireland Limited (formerly known as CRESTCO Limited) incorporated in England and Wales under number 2878738 and whose registered office as at the Series Issue Date is at 33 Cannon Street, London EC4M 5SB and any successor thereto.

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

“Event of Default” has the meaning given to it in Condition 14.

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

“Excess Credit Support Property” has the meaning given to it in Condition 6(d)(iii).

[If Bearer Securities, text will apply or be inserted – “Exchange Date” has the meaning given to it in Condition 3.]

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

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

“FCA” means the United Kingdom Financial Conduct Authority under the FSMA and any successor thereto.

“Fee Calculation Reset Day” has the meaning given to it in Condition 5(b).

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

“Final Redemption Valuation Date” means ten Scheduled Valuation Days prior to the Scheduled Maturity Date which is expected to be [*To be specified in Final Terms – ●*] (with the tenth Scheduled Valuation Day prior to the Scheduled Maturity Date being the **“Scheduled Final Redemption Valuation Date”**) or such higher number of Scheduled Valuation Days prior to the Scheduled Maturity Date notified by the Swap Counterparty to the Issuer and the Determination Agent by no later than 14:00 London time on the 40th London Business Day prior to the Scheduled Maturity Date (subject to a maximum of 35).

“Final Terms” means the final terms issued specifying the relevant issue details of the ETC Securities, in the form set out in the Issue Deed relating to such ETC Securities or such other form as may be agreed between the Issuer and the Arranger.

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

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

“General Business Day” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits).

[*If a German Paying Agent is applicable, to be specified in Final Terms – “German Paying Agent”* means [Deutsche Bank AG, Frankfurt][●] and any successor or replacement Paying Agent appointed under the Agency Agreement.]

[*If Bearer Securities, text will apply or be inserted – “Global Security”* means the ETC Securities in bearer form represented by a global security.]

“GOFO” has the meaning given to it in Condition 5(b).

“Gold” means allocated gold bars complying with the rules of the London Bullion Market Association relating to good delivery and fineness from time to time in effect.

“Gold Price” has the meaning given to it in Annex 2 to the Conditions.

“Gold Spread” has the meaning given to it in Condition 5(b).

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

“holder” has the meaning given to it in Condition 2.

“Index” has the meaning given to it in Condition 5(b).

“Index Cancellation Disruption Event” has the meaning given to it in Condition 9(a)(ii).

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

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

“Index Disruption” has the meaning given to it in Condition 9(a)(i).

“Index Sponsor” has the meaning given to it in Condition 5(b).

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

“Initial Swap Term” has the meaning given to it in Condition 11(c).

“Issue Date” means the issue date of the relevant Tranche of ETC Securities being in respect of this Tranche [*To be specified in Final Terms – ●*].

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

“Issue Price per ETC Security” means:

- (i) on the Series Issue Date, the Issue Price per ETC Security [*To be specified in Final Terms – [is]/[was] ●*]; and
- (ii) in relation to any subsequent Tranche of the ETC Securities issued after the Series Issue Date, the Value per ETC Security (as determined by the Determination Agent and published on the website maintained on behalf of the Issuer at www.etc.db.com or such other website notified by the Issuer for such Series of ETC Securities from time to time) in respect of the Subscription Trade Date relating to such Tranche [which as at the Issue Date of this Tranche of ETC Securities is equal to ●][as specified in the Final Terms relating to such Tranche].

“Issuer” means DB ETC Index plc, a public limited liability company incorporated in Jersey with registration number 103783.

“Issuer Administration Agreement” means the administration agreement in respect of the Programme dated 19 January 2010 and amended and restated on 26 January 2010 entered into by the Issuer and the Corporate Administrator as amended, supplemented, novated or replaced from time to time.

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

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

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

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

“Issuer Delegation Agreement” means the delegation agreement relating to the Issuer Administration Agreement dated 26 January 2010 entered into by the Issuer, the Corporate Administrator and Elian SPV Services Limited as amended, supplemented, novated or replaced from time to time.

“Issuer Redemption Notice” has the meaning given to it in Condition 8(d)(i).

“Issuer Series Fees and Expenses” means the Series Overheads, the Series Fee and, without duplication, the Series’ *pro rata* share of the general operating costs and expenses of the Issuer accrued and unpaid as at the date of redemption of the ETC Securities which shall include, without limitation, the fees, costs and expenses of the directors of the Issuer and the Corporate Administrator, in each case to the extent not paid by the Arranger when due and payable in accordance with the Programme Proposal Agreement following the occurrence of an Arranger Bankruptcy Event.

“Issuer Swap Event of Default” has the meaning given to it in Condition 8(d)(iv)(B).

“Issuing and Paying Agent” means Deutsche Bank AG, London Branch and any successor or replacement thereto.

“LBMA” means The London Bullion Market Association and any successor thereto.

“Lead Authorised Participant” means Deutsche Bank AG, London Branch and any successor or replacement thereto.

“Lease Rate” has the meaning given to it in Condition 5(b).

“LIBOR Rate” has the meaning given to it in Condition 5(b).

“Limit Price Event” has the meaning given to it in Condition 9(a)(v).

“Liquidation Agent” means, any agent appointed to act as Liquidation Agent by the Issuer in respect of the ETC Securities pursuant to Condition 6(d).

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

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

“Master Agency Terms” means the master agency terms version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Agency Terms for Uncertificated Registered Securities” means the master agency terms for uncertificated registered securities version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Authorised Participant Terms” means the master authorised participant terms version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Custody Terms” means the master custody terms version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Determination Agent Terms” means the master determination agent terms version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Security Terms” means the master security terms version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Swap and Credit Support Terms” means the master swap and credit support terms version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Terms and Conditions” means the master terms and conditions version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Master Trust Terms” means the master trust terms *[If Bearer Securities, text will apply or be inserted – for bearer securities]/[If Uncertificated Registered Securities text will apply or be inserted – for uncertificated registered securities]* version number *[To be specified in Final Terms – ●]* dated *[To be specified in Final Terms – ●]* relating to the Programme.

“Maximum Collateral Fee Percentage for Eligible Financial Instruments” has the meaning given to it in Condition 5(b).

“Maximum Gold Spread” has the meaning given to it in Condition 5(b).

“Maximum Product Fee Percentage” has the meaning given to it in Condition 5(b).

“Minimum Redemption Amount” has the meaning given to it in Condition 8(a).

[If Swap Replication Fee Percentage is Applicable, text will apply or be inserted – **“Maximum Swap Replication Fee Percentage”** *has the meaning given to it in Condition 5(b).]*

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

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

[If Bearer Securities, text will apply or be inserted – “**NGN**” means a Global Security in new global note form.]

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

“**Non-Trading Day Disruption**” has the meaning given to it in Condition 9(a)(iv).

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

“**Observation Date**” means (i) if an Early Redemption Event in the form of a Swap Counterparty Bankruptcy Event of Default or a Swap Counterparty Termination Event occurs, the Early Redemption Valuation Date, (ii) in connection with any other Early Redemption Event, each of the five consecutive Scheduled Valuation Days from and including the Early Redemption Valuation Date (or such higher number of consecutive Scheduled Valuation Days (subject to a maximum of 30) notified by the Swap Counterparty to the Issuer and the Determination Agent no later than 14:00 London time on the Early Redemption Valuation Date) and (iii) in connection with the redemption of the ETC Securities on their Scheduled Maturity Date, each of the five consecutive Scheduled Valuation Days from and including the Final Redemption Valuation Date (or, where the Final Redemption Valuation Date is earlier than the Scheduled Final Redemption Valuation Date, the consecutive Scheduled Valuation Days from and including the Final Redemption Valuation Date and to and including the fifth Scheduled Valuation Day prior to the Scheduled Maturity Date).

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

[If Uncertificated Registered Securities, text will apply or be inserted – “**Operator**” means EUI or any successor thereto and shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator approved by the Issuer from time to time in accordance with the Uncertificated Regulations and notified to the relevant Securityholders in accordance with Condition 19.]

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

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

“**Other Currency**” has the meaning given to it in Annex 2 to the Conditions.

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

“**outstanding (actual)**” means, for the purposes of the Conditions, the Swap Agreement, the Trust Deed and the Security Deed, in relation to the ETC Securities and a Scheduled Valuation Day, (i) on the Series Issue Date, the ETC Securities issued on such date, and (ii) on any Scheduled Valuation Day thereafter, all the ETC Securities issued on or prior to such Scheduled Valuation Day except (a) those that have been redeemed in accordance with Condition 8(a), 8(b) or 8(c); (b) those that have been cancelled for any reason; (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Trustee or to the Issuing and Paying Agent [If Bearer Securities text will apply or be inserted - and which remain available for payment against presentation and surrender of ETC Securities]; (d) those that have become void or in respect of which claims have become prescribed; (e) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Authorised Participant(s) has not paid in full the relevant subscription amount under the Authorised Participant Agreement; (f) those in respect of which a Buy-Back Settlement Date has occurred and in respect of which the Issuer (or the Trustee or the Issuing and Paying Agent, as the case may be) has received in full the related termination payment under the Swap Agreement; (g) those that have been purchased, settled and cancelled as provided in Condition 8(e); [If Bearer

Securities text will apply or be inserted - (h) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities; (i) (for the purpose only of determining how many ETC Securities are outstanding (actual) and without prejudice to their status for any other purpose) those Bearer Securities alleged to have been lost, stolen or destroyed and in respect of which replacement ETC Securities have been issued] and [(j)]/[(h)] any Global Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many Securities are outstanding (actual) for the purposes of the Conditions, the Swap Agreement, the Trust Deed and the Security Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those ETC Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding (actual). For the avoidance of doubt, ETC Securities (if any) which the Issuer has agreed on or prior to such Scheduled Valuation Day to buy back but in respect of which the related termination payment under the Swap Agreement has not yet been paid in full to the Issuer (or the Trustee or Issuing and Paying Agent, as applicable) shall be deemed to be “outstanding (actual)” on such Scheduled Valuation Day and ETC Securities (if any) which the Issuer has agreed on or prior to such Scheduled Valuation Day to issue but in respect of which payment of the relevant subscription amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be “outstanding (actual)” on such Scheduled Valuation Day.

“outstanding (adjusted)” means, for the purposes of the Credit Support Deed, in relation to the ETC Securities and a Scheduled Valuation Day, (i) on the Series Issue Date, the ETC Securities issued on such date, and (ii) on any Scheduled Valuation Day thereafter, all the ETC Securities issued on or prior to such Scheduled Valuation Day (which for these purposes shall include ETC Securities which are to be issued in connection with a Subscription Trade Date but in respect of which the related Subscription Settlement Date has not yet occurred and ETC Securities which have been issued on the relevant Subscription Settlement Date but which are pending settlement to an Authorised Participant because payment of the relevant subscription amount has not been received in full from the relevant Authorised Participant(s)) except (a) those that have been redeemed in accordance with Condition 8(a), 8(b) or 8(c); (b) those which have been cancelled for any reason; (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Trustee or to the Issuing and Paying Agent [*If Bearer Securities text will apply or be inserted* – irrespective of whether they remain available for payment against presentation and surrender of ETC Securities]; (d) those that have become void or in respect of which claims have become prescribed; (e) those in respect of which a Buy-Back Settlement Date has occurred and in respect of which the Issuer (or the Trustee or the Issuing and Paying Agent, as the case may be) has received in full the related termination payment under the Swap Agreement; (f) those that have been purchased, settled and cancelled as provided in Condition 8(e); [*If Bearer Securities text will apply or be inserted* - (g) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities, (h) (for the purpose only of determining how many ETC Securities are outstanding (adjusted) and without prejudice to their status for any other purpose) those Bearer Securities alleged to have been lost, stolen or destroyed and in respect of which replacement ETC Securities have been issued], and [(i)]/[(g)] any Global Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many Securities are outstanding (adjusted) for the purposes of the Conditions and the Trust Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those ETC Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding (adjusted). For the avoidance of doubt, ETC Securities (if any) which the Issuer has agreed on or prior to such Scheduled

Valuation Day to buy back but in respect of which the related termination payment under the Swap Agreement has not yet been paid in full to the Issuer (or the Trustee or Issuing and Paying Agent, as applicable) shall be deemed to be “outstanding (adjusted)” on such Scheduled Valuation Day.

“**outstanding (pending)**” means, for the purposes of the Conditions, the Swap Agreement, the Trust Deed and the Security Deed, in relation to the ETC Securities and a Scheduled Valuation Day, (i) on the Series Issue Date, the ETC Securities issued on such date, and (ii) on any Scheduled Valuation Day thereafter, all the ETC Securities issued on or prior to such Scheduled Valuation Day (which for these purposes shall include ETC Securities which are to be issued in connection with a Subscription Trade Date but in respect of which the related Subscription Settlement Date has not yet occurred and ETC Securities which have been issued on the relevant Subscription Settlement Date but which are pending settlement to an Authorised Participant) except (a) those that have been redeemed in accordance with Condition 8(a), 8(b) or 8(c); (b) those that have been cancelled for any reason; (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Trustee or to the Issuing and Paying Agent [*If Bearer Securities text will apply or be inserted* - and which remain available for payment against presentation and surrender of ETC Securities]; (d) those that have become void or in respect of which claims have become prescribed; (e) those in respect of which a Buy-Back Trade Date has occurred; (f) those that have been purchased, settled and cancelled as provided in Condition 8(e); [*If Bearer Securities text will apply or be inserted* - (g) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities; (h) (for the purpose only of determining how many ETC Securities are outstanding (pending) and without prejudice to their status for any other purpose) those Bearer Securities alleged to have been lost, stolen or destroyed and in respect of which replacement ETC Securities have been issued] and [(i) /[(g)] any Global Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many Securities are outstanding (pending) for the purposes of the Conditions, the Swap Agreement, the Trust Deed and the Security Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those ETC Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding (pending).

“**Partial Early Termination Amount**” has the meaning given to it in Condition 8(d)(iv)(A)(I).

“**Partial Early Termination Amount Remedy End Date**” has the meaning given to it in Condition 8(d)(iv)(A)(I).

[*If Uncertificated Registered Securities, text will apply or be inserted* – “**participating securities**” shall have the meaning given to it in the Uncertificated Regulations.]

“**Paying Agents**” means the Issuing and Paying Agent [*Names and details of any additional paying agents – including German Paying Agent if applicable to be specified in the Final Terms – [,][and] •*], and any successor or replacement thereto.

“**Payment Business Day**” means: [*If the ETC Securities are denominated in a currency other than euro text will apply or be inserted* – in relation to a payment, a day (other than a Saturday or Sunday) on which (i) commercial banks and foreign exchange markets settle payments in London and in the principal financial centre for the currency of the relevant payment and (ii) the Relevant Clearing System is open] [*If the ETC Securities are denominated in euro text will apply or be inserted* – a day (i) which is a TARGET Settlement Day and (ii) on which the Relevant Clearing System is open].

“**Posted Collateral**” means, in relation to the Credit Support Deed, all Eligible Collateral, other property, distributions and all proceeds thereof that have been transferred by the Swap Counterparty to the Issuer (or otherwise received by the Issuer) under such Credit Support Deed and not retransferred to the Swap

Counterparty in accordance with the terms of the Credit Support Deed or realised by the Issuer pursuant to the enforcement of the security in favour of the Issuer created under such Credit Support Deed.

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

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

“Price Source” has the meaning given to it in Condition 9(a)(vi).

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

“Proceedings” has the meaning given to it in Condition 23(b).

“Product Fee” means a fee payable to the Programme Swap Counterparty in respect of the relevant Series of ETC Securities and which is equal to the Product Fee Percentage which accrues on a daily basis and is applied to the Value per ETC Security of the Series of ETC Securities on each Scheduled Valuation Day.

“Product Fee Percentage” has the meaning given to it in Condition 5(b).

“Programme” means the Secured ETC Index Linked Securities Programme of DB ETC Index plc.

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

“Programme Proposal Agreement” means the programme proposal agreement dated on or about 26 January 2010 entered into by the Issuer and the Arranger as amended, supplemented, novated or replaced from time to time pursuant to which the Arranger agrees to pay to the Issuer certain fees payable by the Issuer and certain other overheads of the Issuer in connection with the establishment of the Programme and the issue of Series of ETC Securities thereunder.

“Programme Swap Counterparty” means Deutsche Bank AG, London Branch and any successor or replacement thereto.

“Programme Swap Counterparty Bankruptcy Event” means (i) the Programme Swap Counterparty becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator or other similar official of all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation, and/or (ii) an ISDA Credit Derivatives Determinations Committee announces that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to the Programme Swap Counterparty.

“Programme Swap Counterparty Breach” has the meaning given to it in Condition 12(d)(v).

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

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

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

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

[If Uncertificated Registered Securities, text will apply or be inserted – “Register” means the register of persons holding the ETC Securities maintained by the Registrar on behalf of the Issuer.]

[If Uncertificated Registered Securities, text will apply or be inserted – “Registrar” means [To be specified in Final Terms – Computershare Investor Services (Jersey) Limited] and any successor or replacement thereto.]

“Relevant Clearing System” means *[Each Clearing System through which this Series of ETC Securities is to be specified in Final Terms]*.

“Relevant Component Price” has the meaning given to it in Condition 9(b)(iii)(A).

“Relevant Date” has the meaning given to it in Condition 13.

“Relevant Provisions” means, with respect to the Determination Agent, the provisions of the Determination Agent Agreement (including, without limitation, the duties and obligations of the Determination Agent under Clause 2.5 of the Determination Agent Agreement), the Issue Deed, the Swap Agreement and Credit Support Deed, the Authorised Participant Agreement and the Conditions.

“Relevant Stock Exchange” means *[Each Stock Exchange on which this Series of ETC Securities is to be listed to be specified in Final Terms or be inserted]*.

“Relevant Trading Facility” has the meaning given to it in Condition 9(a)(iii).

“Reserve Trust Account” means an account in the name of the Issuer with Elian SPV Services Limited referencing the Programme.

“RIS” means a regulated information service for the purposes of giving information relating to the ETC Securities and/or the rules of the Relevant Stock Exchange chosen by the Issuer from time to time, including but not limited to the Regulatory News Service (the **“RNS”**) of the London Stock Exchange and the Business Wire Regulatory Disclosure provided by Business Wire Europe Ltd, a Berkshire Hathaway Company.

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

“Scheduled Maturity Date” has the meaning given to it in Condition 8(a).

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

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

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

“Secured Agent Rights” means the rights and interest of the Issuer in and under the Agency Agreement, the Custody Agreement, the Determination Agent Agreement, the Authorised Participant Agreement and any other agreement pursuant to which the Liquidation Agent is appointed in relation to the ETC Securities and the rights, title and interest of the Issuer in all property, assets and sums derived from such agreements.

“Secured Assets” means (i) all property, assets and sums derived from the Secured Swap Rights which shall include, without limitation, any property, assets and sums derived from the Swap Agreement and the enforcement of the security granted in favour of the Issuer under the Credit Support Deed and the enforcement of any other Credit Support Document, (ii) all property, assets and sums held by the Issuing and Paying Agent *[If Uncertificated Registered Securities, text will apply or be inserted – or, as the case*

may be, the Registrar] and/or the Custodian and/or the Liquidation Agent in connection with the ETC Securities and/or any Transaction Document, and (iii) any other property, assets and/or sums which have been charged, assigned, pledged and/or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Security Deed.

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

“Secured Issuer Obligations” means the obligations and duties of the Issuer (i) under the Trust Deed, each ETC Security, the Swap Agreement and each Credit Support Document, (ii) to pay all Taxes (other than any income, corporation or similar tax), fees, costs, charges, expenses, liabilities and other amounts properly payable to the Liquidation Agent, and (iii) to pay the Taxes (other than any income, corporation or similar tax), fees, expenses or other amounts due to the Issuing and Paying Agents[,]/[and] the Paying Agents[*If Uncertificated Registered Securities, text will apply or be inserted* –, the Registrar and the Transfer Agents] pursuant to the Agency Agreement, due to the Custodian pursuant to the Custody Agreement, and due to the Determination Agent and/or to the Programme Swap Counterparty pursuant to the Determination Agent Agreement, in each case to the extent such amounts relate to this Series of ETC Securities and **“Secured Issuer Obligation”** means any of them.

“Secured Property” means the Secured Swap Rights, the Secured Agent Rights and the Secured Assets. For the avoidance of doubt, any amount standing to the credit of the Reserve Trust Account shall not constitute Secured Property.

“Secured Swap Rights” means the rights and interest of the Issuer in and under the Swap Agreement and each Credit Support Document, and the rights, title and interest of the Issuer in all property, assets and sums derived from the Swap Agreement, the enforcement of the security granted in favour of the Issuer under such Credit Support Deed and the enforcement of the Issuer’s rights under any other Credit Support Document (if applicable).

“Securities Act” means The United States Securities Act of 1933 as amended.

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

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

“Securityholder” has the meaning given to it in Condition 2.

“Securityholder Notice and Direction” has the meaning given to it in Condition 8(d)(vi).

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

“Series Fee” means the fee agreed between the Issuer and the Arranger in connection with the issue of the ETC Securities payable by the Arranger to the Issuer in accordance with the terms of the Programme Proposal Agreement.

“Series Issue Date” means [*To be specified in Final Terms – [●]*], being the issue date of the first Tranche of this Series of ETC Securities.

“Series Overheads” means:

- (i) the costs of printing any ETC Securities or any publication or advertising in respect of such ETC Securities;

- (ii) any fees, costs and expenses payable by the Issuer pursuant to the Transaction Documents in relation to any ETC Securities;
- (iii) any legal fees and disbursements payable to the legal advisers in Jersey to the Issuer and/or any other legal advisers properly appointed by the Issuer (subject to the prior written approval of the Arranger prior to the occurrence of an Arranger Bankruptcy Event);
- (iv) any fees payable to any Relevant Stock Exchange in respect of the listing of the ETC Securities on such Relevant Stock Exchange; and
- (v) any other fee, cost, expense or disbursement properly incurred by the Issuer in relation to the issue of the ETC Securities which is not to be reimbursed by any other person.

“Specified Currency” means, in relation to this Series of ETC Securities [*To be specified in Final Terms – •*].

“specified office” means, in relation to any Agent, the office identified in respect of such Agent in the Issue Deed or any other office approved by the Trustee and notified to Securityholders in accordance with Condition 19.

“Stock Exchange” means the London Stock Exchange, Euronext Paris, Euronext Amsterdam, the Frankfurt Stock Exchange, the Luxembourg Stock Exchange, the Borsa Italiana, the OMX Nordic Exchange and/or the SIX Swiss Exchange.

“Sub-Custodian” means any sub-custodian appointed by the Custodian in connection with the Custody Agreement relating to the ETC Securities.

“Sub-Custody Agreement” means an agreement between the Issuer, the Custodian and a Sub-Custodian to which the Issuer is a party pursuant to which the Sub-Custodian is appointed to act as sub-custodian in connection with the duties and obligations of the Custodian under the Custody Agreement relating to the ETC Securities as amended, supplemented, novated or replaced from time to time.

“Subscription Order” means a request from an Authorised Participant delivered to the Issuer to issue further ETC Securities and which the Determination Agent determines is valid in accordance with the Authorised Participant Agreement.

“Subscription Settlement Amount” means, in respect of a subscription for ETC Securities and the related Subscription Settlement Date, an amount in the denomination of the ETC Securities equal to the product of the Issue Price per ETC Security in respect of the relevant Subscription Trade Date and the aggregate number of ETC Securities to be issued pursuant to the relevant Subscription Order.

“Subscription Settlement Date” means, subject to Condition 9(c), the second Scheduled Valuation Day after the Subscription Trade Date.

“Subscription Trade Date” means a Scheduled Valuation Day on which a Subscription Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the Authorised Participant Agreement.

“Substitute Credit Support” has the meaning given to it in Condition 11(d).

“Substituted Obligor” has the meaning given to it in Condition 16(c).

“Successor Index” has the meaning given to it in Condition 10.

“Suspension Event” means the Issuer delivers a notice in writing to the Determination Agent, the Issuing and Paying Agent, the Lead Authorised Participant and each Authorised Participant (copied to each other Transaction Party) stating that with effect from the date specified in such notice subscriptions

of the ETC Securities shall be suspended, provided that the effective date of any such suspension so specified shall be a day not earlier than the Scheduled Valuation Day following the date of such notice.

“Swap Agreement” means the swap agreement dated as of the Series Issue Date of the ETC Securities entered into by the Issuer and the Swap Counterparty by execution of the Issue Deed and in the form of a 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc. together with a Schedule thereto on the terms set out in the Master Swap and Credit Support Terms (as amended and/or supplemented by the Issue Deed), together with the confirmation entered into thereunder evidencing the Swap Transaction and as such Swap Agreement is amended, supplemented, novated or replaced from time to time.

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

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

“Swap Calculation Agent” means *[To be specified in Final Terms – •]* and any successor or replacement thereto.

“Swap Counterparty” means Deutsche Bank AG, London Branch and any successor or replacement thereto.

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

“Swap Counterparty Event of Default” has the meaning given to it in Condition 8(d)(iv)(A).

“Swap Counterparty Termination Event” has the meaning given to it in Condition 8(d)(iv)(E).

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

“Swap Optional Termination Exercise Notice” has the meaning given to it in Condition 8(d)(iv)(D).

“Swap Replication Fee Percentage” has the meaning given to it in Condition 5(b).

“Swap Transaction” means the fully funded commodity index linked swap transaction entered into by the Issuer and the Swap Counterparty under the Swap Agreement in relation to this Series of ETC Securities.

“Swap Unwind Costs” means, in respect of a Buy-Back Order made by an Authorised Participant, an amount determined by the Swap Counterparty in good faith and in a reasonable manner equal to the sum of (without duplication) all Taxes, costs, fees, charges and expenses (including, without limitation, funding costs, expenses and losses), incurred by such Swap Counterparty and/or any of its affiliates in connection with the termination of its hedging arrangement(s), transactions and/or trading positions (if any) entered into by (or on behalf of) the Swap Counterparty to hedge its obligations under the Swap Transaction as notified by the Swap Counterparty to the Issuer, the Determination Agent, the Trustee and the Programme Swap Counterparty in writing no later than 11:00 London time on the Scheduled Valuation Day prior to the due date for payment of the relevant termination payment under the Swap Agreement. For the avoidance of doubt, Swap Unwind Costs only impact the Buy-Back Redemption Amounts payable to the Authorised Participants on a buy-back of ETC Securities by the Issuer from an Authorised Participant. They do not impact the Final Redemption Amount or any Early Redemption Amount.

[If the ETC Securities are denominated in euro text will apply or be inserted – **“TARGET Settlement Day”** *means a day on which the TARGET System is operating.]*

[If the ETC Securities are denominated in euro, text will apply or be inserted – **“TARGET System”** *means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.]*

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

“Tax Affected Party” has the meaning given to it in Condition 8(d)(iv)(F).

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

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

“Tax Event Transfer Period End Date” as the meaning given to it in Condition 8(d)(iv)(F).

“Tax Event Transfers” has the meaning given to it in Condition 8(d)(iv)(F) and **“Tax Event Transfer”** means any of them.

“Termination for Breach” means, with respect to the Determination Agent, the termination of the appointment of the Determination Agent where (a) the Determination Agent commits a material breach of its obligations under the Determination Agent Agreement and to the extent such breach is capable of being remedied the Determination Agent fails to cure such breach within 15 calendar days of its becoming aware of, or its receiving notice from the Issuer, the Trustee or the Programme Swap Counterparty of, such breach or (b) the Determination Agent commits any breach of its obligations under the Determination Agent Agreement and to the extent such breach is capable of being remedied the Determination Agent fails to cure such breach within 30 calendar days of its becoming aware of, or its receiving notice from the Issuer, the Trustee or the Programme Swap Counterparty of, such breach.

“Termination for Cause” means, with respect to the Determination Agent, each of a Termination for Breach and a termination of the appointment of the Determination Agent in connection with the occurrence of a Determination Agent Bankruptcy Event.

“Trading Disruption” has the meaning given to it in Condition 9(a)(iii).

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

“Transaction Document” means each of the Issue Deed, the Trust Deed, the Security Deed, the Issuer Administration Agreement, the Issuer Delegation Agreement, the Agency Agreement, the Determination Agent Agreement, the Custody Agreement, the Authorised Participant Agreement, the Swap Agreement and each Credit Support Document in each case as amended, supplemented, novated and/or replaced from time to time and **“Transaction Documents”** means all such documents.

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

[If Uncertificated Registered Securities, text will apply or be inserted – “Transfer Agent” means [To be specified in Final Terms – [each of] [Computershare Investor Services (Jersey) Limited [and •]] and any successor or replacement thereto.]

“Transfer Agreement Cut-Off Date” has the meaning given to it in Condition 8(d)(iv)(F).

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

“Trustee” means Deutsche Trustee Company Limited and any successor or replacement thereto.

“UK Listing Authority” means the Financial Conduct Authority in such capacity under the FSMA and any successor or replacement thereto.

“Uncertificated Registered Securities” means ETC Securities issued in dematerialised uncertificated registered form.

[If Uncertificated Registered Securities, text will apply or be inserted – “Uncertificated Regulations” means the Companies (Jersey) Law 1991 Companies (Uncertificated Securities) (Jersey) Order 1999 (No. 9462) and such other regulations having force within Jersey as are applicable to EUI and/or the CREST relevant system as amended, supplemented or replaced from time to time.]

“Valuation Percentage” has the meaning given to it in Annex 2 to the Conditions.

“Value per ETC Security” has the meaning given to it in Condition 5(b).

“Value per ETC Security Threshold Level” has the meaning given to it in Condition 8(d)(vii).

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

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

2 Form and Title

[If Bearer Securities, text will apply or be inserted –

The *[Full description of the ETC Securities to be specified in Final Terms]* (the **“ETC Securities”**) are issued in bearer form and shall not be exchangeable for Uncertificated Registered Securities. The ETC Securities will be represented on issue by a Global Security in *[To be specified in Final Terms – NGN/CGN]* form. The Global Security may be exchanged for Definitive Securities in the circumstances described in Condition 3 and any such Definitive Securities shall be serially numbered and shall not be issued with coupons.

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

[If Uncertificated Registered Securities, text will apply or be inserted –

The *[Full description of the ETC Securities to be specified in Final Terms]* (the **“ETC Securities”**) are issued in dematerialised uncertificated registered form and shall not be exchangeable for Bearer Securities. The ETC Securities shall be held in uncertificated registered form in accordance with the Uncertificated Regulations and as such are dematerialised and not constituted by any physical document of title. The ETC Securities shall be cleared through CREST and are participating securities for the purposes of the Uncertificated Regulations. Title to the ETC Securities is recorded on the Register and shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any ETC Security shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, and no person shall be liable for so treating the holder. In the Conditions, **“Securityholder”** and **“holder”** means the person in whose name an Uncertificated Registered Security of this Series is registered in the Register. Notwithstanding anything to the contrary in the Conditions, for so long as the ETC Securities are participating securities, (i) the Register shall be maintained in Jersey and at all times outside of the United Kingdom, (ii) the ETC Securities may be issued in uncertificated

form in accordance with and subject as provided in the Uncertificated Regulations and (iii) for the avoidance of doubt, the Conditions in respect of the ETC Securities shall remain applicable notwithstanding that they are not endorsed on any certificate or document of title.]

[If Uncertificated Registered Securities, text will apply or be inserted –

3 Transfers

(a) Transfers

Title to the ETC Securities will pass upon registration of the transfer in the Register. All transactions in respect to the ETC Securities (including, without limitation, transfers of the ETC Securities) in the open market or otherwise must be effected through an account with EUI. All transfers of the ETC Securities shall be subject to and made in accordance with the Uncertificated Regulations and the rules, procedures and practices in effect of the Registrar and CREST. The Uncertificated Regulations and such rules, procedures and practices may change from time to time.

No provision of the Conditions shall (notwithstanding anything to the contrary herein) apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to the ETC Securities in uncertificated form, (ii) the transfer of title to the ETC Securities by means of registration in the Register or (iii) the Uncertificated Regulations.

If at any time the ETC Securities cease to be held in uncertificated form and/or accepted for clearance through CREST, or notice is received by or on behalf of the Issuer that the ETC Securities will cease to be held in uncertificated form and cleared through CREST and/or CREST is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or CREST announces an intention permanently to cease business or does in fact do so, the ETC Securities shall continue to be in registered form and the Issuer, the Registrar, the Issuing and Paying Agent and any other relevant Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) may agree such procedures as they determine necessary in relation to the transfer of ETC Securities and shall as soon as reasonably practicable give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

The provisions of the third paragraph of Condition 3(a) shall apply equally in the case that a holder ceases to be a CREST member, but for such purposes only the affected holder will need to be notified of the procedures adopted.

(b) Transfer Free of Charge

Transfers of ETC Securities shall be effected without charge by or on behalf of the Issuer, the Operator, the Registrar or the Transfer Agents, but upon payment by the relevant holder of any Tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar, the Operator or the relevant Transfer Agent may require).

(c) Closed Periods

If the rules and procedures of the Registrar and/or for so long as the ETC Securities are held in CREST the rules and procedures of CREST include any closed period in which no Securityholder may require the transfer of an ETC Security to be registered in the Register, such closed periods shall apply to the ETC Securities. Details of any such closed period are available from the Registrar and the Transfer Agents.]

[If Bearer Securities, text will apply or be inserted –

3 Exchange

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

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

Any such exchange may be effected on or after an Exchange Date by the holder of the Global Security surrendering the Global Security to or to the order of the Issuing and Paying Agent. In exchange for the Global Security, the Issuer will deliver, or procure the delivery of, duly executed and authenticated Definitive Securities in an aggregate number equal to the number of ETC Securities represented by the Global Security submitted for exchange, security printed in accordance substantially in the form required under the Trust Deed.]

4 Constitution and Status

This Series of ETC Securities is constituted by the Trust Deed and secured by the Security Deed. The ETC Securities are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 6 and recourse in respect of which is limited in the manner described in Condition 6(g) and Condition 15.

5 Value per ETC Security

(a) **Determination and Publication of Value per ETC Security**

Subject to Condition 9(d), the Determination Agent shall determine the Value per ETC Security in accordance with Condition 5(b) in respect of each Scheduled Valuation Day during the term of the ETC Securities up to (and including) the earlier to occur of the Early Redemption Valuation Date and the Final Redemption Valuation Date and notify its determination of the Value per ETC Security in respect of a Scheduled Valuation Day to the Issuer, the Trustee, the Programme Swap Counterparty, the Swap Counterparty and any Credit Support Provider in respect thereof and the Issuing and Paying Agent by no later than 14:00 London time on the immediately following Scheduled Valuation Day or, in respect of the Final Redemption Valuation Date or the Early Redemption Valuation Date, if any, by no later than 14:00 London time on the Scheduled Valuation Day immediately following the last day of the Closing Index Valuation Period. Subject to Condition 9(d), the Issuer shall publish the Value per ETC Security notified to it by the Determination Agent in respect of a Scheduled Valuation Day by no later than 16:00 London time on the immediately following Scheduled Valuation Day on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time) or, in relation to the Value per ETC Security determined in respect of Final Redemption Valuation Date or the Early Redemption Valuation Date, if any, by no later than 16:00 London time on the Scheduled Valuation Day immediately following the last day of the Closing Index Valuation Period.

(b) **Value per ETC Security**

The **“Value per ETC Security”** in respect of a Scheduled Valuation Day shall be an amount per ETC Security determined by the Determination Agent as follows:

- (i) if the Scheduled Valuation Day is the Series Issue Date, the Value per ETC Security in respect of the Series Issue Date shall be equal to the Issue Price per ETC Security on such Series Issue Date;
- (ii) subject to Condition 5(b)(iv), in relation to any other Scheduled Valuation Day other than the Final Redemption Valuation Date or the Early Redemption Valuation Date, the Value per ETC Security in respect of such Scheduled Valuation Day shall be equal to:
 - (A) the Value per ETC Security for the immediately preceding Fee Calculation Reset Day; multiplied by
 - (B) the Closing Index Level for that Scheduled Valuation Day divided by the Closing Index Level for the immediately preceding Fee Calculation Reset Day; minus
 - (C) the Accrued Fee; and
- (iii) subject to Condition 5(b)(iv), in relation to the Final Redemption Valuation Date or, if any, the Early Redemption Valuation Date, the Value per ETC Security shall be equal to:
 - (A) the Value per ETC Security for the Fee Calculation Reset Date immediately preceding the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be; multiplied by
 - (B) the Average Redemption Closing Index Level divided by the Closing Index Level for the Fee Calculation Reset Date immediately preceding the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be; minus
 - (C) the Accrued Fee; and
- (iv) in relation to a Scheduled Valuation Day (other than the Final Redemption Valuation Date, the Early Redemption Valuation Date (if any) and any other Observation Date) in respect of which (A) the Value per ETC Security for the immediately preceding Fee Calculation Reset Day has not been determined and published in accordance with this Condition 5 (other than where such failure occurs in connection with the occurrence or existence of a Disruption Event) or (B) (I) a Swap Counterparty Event of Default in connection with Condition 8(d)(iv)(A)(VI) or a Swap Counterparty Termination Event has occurred and/or exists on such Scheduled Valuation Day and the Index Sponsor does not publish the official closing level of the Index in respect of such Scheduled Valuation Day and/or (II) the Swap Counterparty has delivered a Disruption Event Notice as described in Condition 9(b)(i) but has not calculated the Closing Index Level in accordance with Condition 9(b) by 14:00 London time on the 11th Scheduled Valuation Day following the Scheduled Valuation Day in respect of which a Disruption Event Notice was given, then the Value per ETC Security in respect of such Scheduled Valuation Day shall be deemed to be equal to the Value per ETC Security determined in respect of the last preceding Scheduled Valuation Day in respect of which a Value per ETC Security was determined and published for the purposes of the ETC Securities. In relation to the Final Redemption Valuation Date or, if any, the Early Redemption Valuation Date, if the Value per ETC Security for the Fee Calculation Reset Date immediately preceding the Final Redemption Valuation Date or, as the case may be, the Early Redemption Valuation Date has not been determined and published in accordance with this Condition 5 (other than where such failure occurs in connection with the occurrence or existence of a Disruption Event) then the Value per ETC Security in respect of such Final Redemption Valuation Date or, as the case may be, the Early Redemption Valuation Date shall be deemed to be equal to the Value per ETC Security determined in respect of the last Scheduled Valuation Day prior to the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, in respect of

which a Value per ETC Security was determined and published for the purposes of the ETC Securities.

For these purposes:

“Accrued Fee” means, in relation to any Scheduled Valuation Day (including any Fee Calculation Reset Day), an amount determined by the Determination Agent equal to (i) the Value per ETC Security in respect of the immediately preceding Fee Calculation Reset Day, multiplied by (ii) the sum of the Collateral Fee Percentage, the Swap Replication Fee Percentage and the Product Fee Percentage multiplied by (iii) the actual number of calendar days in the period from (but excluding) the immediately preceding Fee Calculation Reset Day to (and including) the Scheduled Valuation Day in respect of which the Accrued Fee is being calculated divided by 360.

“Average Redemption Closing Index Level” means an amount determined by the Determination Agent equal to the arithmetic mean of the Closing Index Levels determined in respect of each Observation Date.

“Closing Index Level” means, in relation to a Scheduled Valuation Day, (i) the official closing level of the Index in respect of that Scheduled Valuation Day as calculated and published by the Index Sponsor of such Index and which shall be made available on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time) or (ii) if Condition 9(b) applies, the level for the Index determined by the Swap Calculation Agent in respect of such Scheduled Valuation Day under the Swap Agreement and notified to the Issuer (and copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) as described in Condition 9(b) and which shall be made available on the website maintained on behalf of the Issuer at www.etc.db.com, provided that if such Scheduled Valuation Day is the Observation Date relating to a Swap Counterparty Event of Default pursuant to Condition 8(d)(iv)(A)(VI) or a Swap Counterparty Termination Event and the Index Sponsor does not publish the official closing level of the Index in respect of such Observation Date, the Closing Index Level in respect of such Observation Date shall be deemed to be equal to the Closing Index Level determined in respect of the last preceding Scheduled Valuation Day in respect of which a Closing Index Level was determined for the purposes of the ETC Securities. Without prejudice to the preceding sentence, if the Scheduled Valuation Day in respect of which the Swap Counterparty has delivered a Disruption Event Notice is an Observation Date and the Swap Calculation Agent has not calculated the Closing Index Level in accordance with Condition 9(b) by 11:00 London time on the Scheduled Valuation Day immediately following the last day of the Closing Index Valuation Period, then the Closing Index Level in respect of such Observation Date shall be deemed to be equal to the Closing Index Level determined in respect of the last preceding Scheduled Valuation Day in respect of which a Closing Index Level was determined for the purposes of the ETC Securities.

“Collateral Fee Percentage” means, in relation to a Scheduled Valuation Day, the amount (expressed as a percentage per annum) published on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time) and determined by the Determination Agent as follows if the Posted Collateral under the Credit Support Deed (as notified to the Issuer (copied to the Determination Agent) by the Swap Counterparty) as at such Scheduled Valuation Day comprises:

- (I) Gold, the greater of (x) the product of (1) the Lease Rate in respect of the Fee Calculation Reset Day immediately preceding such Scheduled Valuation Day plus the Gold Spread and (2) 110 per cent. and (y) 0.10 per cent. per annum; or

- (II) Eligible Financial Instruments, the Maximum Collateral Fee Percentage for Eligible Financial Instruments, or such lower amount as may be determined by the Programme Swap Counterparty and notified to the Issuer, the Transaction Parties and the Securityholders from time to time, provided that the Issuer shall procure (and the Programme Swap Counterparty has agreed) that Securityholders shall be given not less than 30 calendar days' prior notice in accordance with Condition 19 of any change to the Collateral Fee Percentage relating to Eligible Financial Instruments and if the scheduled day notified for any such change is not a Scheduled Valuation Day, the change to such Collateral Fee Percentage shall take effect on the first following Scheduled Valuation Day. The current Collateral Fee Percentage and any proposed change to the Collateral Fee Percentage shall be published on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19).

[Following text deemed to apply if Posted Collateral as at relevant Issue Date of ETC Securities to which Final Terms relates comprises Gold – The Collateral Fee Percentage relating to Gold as at the [To be specified in Final Terms – Series Issue Date/Issue Date] is [To be specified in Final Terms – •].]

[Following text deemed to apply if Posted Collateral as at relevant Issue Date of ETC Securities to which Final Terms relates comprises Eligible Financial Instruments – The Collateral Fee Percentage relating to Eligible Financial Instruments as at the [To be completed specified in Final Terms – Series Issue Date/Issue Date] is [To be specified in Final Terms – •].]

The Maximum Collateral Fee Percentage (expressed on a percentage per annum basis) for Eligible Financial Instruments is *[To be specified in Final Terms – •]*(the **“Maximum Collateral Fee Percentage for Eligible Financial Instruments”**).

“Fee Calculation Reset Day” means the last London Business Day of each calendar month, except that the first Fee Calculation Reset Day shall be the Series Issue Date.

“GOFO” means, in respect of a Fee Calculation Reset Day, the rate (expressed as a percentage per annum) determined by the Programme Swap Counterparty equal to the arithmetic mean of the loco London gold lending rates in U.S.\$ for a period of three months which appear on the Reuters Screen GOFO Page and the related Reuters Screen GOFP Page and the Reuters Screen GOFQ Page under the heading “London Interbank Forward Bullion Rates Loco London Gold Lending Rates (VS U.S.\$)” (or any respective successor screen page thereto as determined by the Programme Swap Counterparty) as of 11:00 London time on the day that is two London Business Days preceding such Fee Calculation Reset Day. If any such rate does not appear on the Reuters Screen GOFO Page and/or the related Reuters Screen GOFP Page and/or the Reuters Screen GOFQ Page (or any relevant successor screen page thereto), as applicable, the rate in respect of such page used to determine the GOFO rate in respect of such Fee Calculation Reset Day shall be deemed to be equal to the rate last published on such Reuters Screen GOFO Page, Reuters Screen GOFP Page or Reuters Screen GOFQ Page (or the relevant successor screen page applicable thereto), as applicable, provided that if any of the Reuters Screen GOFO Page, the related Reuters Screen GOFP Page and/or the Reuters Screen GOFQ Page (or any successor screen page thereto) ceases to exist or to publish the relevant rate and the Programme Swap Counterparty determines that no such successor screen page exists the GOFO rate (or the method for determining the GOFO rate) for such Fee Calculation Reset Day shall be determined by the Programme Swap Counterparty in good faith and notified to the Issuer and the Determination Agent.

“Gold Spread” means [*To be specified in Final Terms – ●*] per cent. per annum (the **“Maximum Gold Spread”**), or such lower amount as may be determined by the Programme Swap Counterparty and notified to the Issuer, the Transaction Parties and the Securityholders from time to time, provided that the Issuer shall procure (and the Programme Swap Counterparty has agreed) that Securityholders shall be given not less than 30 calendar days’ prior notice in accordance with Condition 19 of any change to the Gold Spread and if the scheduled day notified for any such change is not a Scheduled Valuation Day, the change to the Gold Spread shall take effect on the first following Scheduled Valuation Day. The current Gold Spread and any proposed change to the Gold Spread shall be published on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time). The Gold Spread as at the [*To be specified in Final Terms – Series Issue Date/Issue Date*] is [*To be specified in Final Terms – ●*].

“Index” means [*To be specified in Final Terms – ●*] and any Successor Index thereto.

“Index Sponsor” means the corporation or entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis, failing whom such person acceptable to the Swap Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person, in each case as determined by the Swap Calculation Agent under the Swap Agreement and notified to the Issuer, the Swap Counterparty, the Determination Agent and the Programme Swap Counterparty from time to time. The Index Sponsor as at the [*To be specified in Final Terms – Series Issue Date/Issue Date*] is [*To be specified in Final Terms – ●*]. The Issuer shall notify Securityholders in accordance with Condition 19 of any change to the Index Sponsor determined by the Swap Calculation Agent as soon as reasonably practicable after the Issuer is notified of any such change by the Swap Calculation Agent.

“Lease Rate” means, in relation to a Fee Calculation Reset Day, the rate equal to the Gold lending rate for a period of three calendar months (expressed as a percentage per annum) equal to the LIBOR Rate minus the GOFO rate in respect of such Fee Calculation Reset Day as determined by the Determination Agent. If the Programme Swap Counterparty does not calculate and notify the Determination Agent of the LIBOR Rate and the GOFO rate in respect of any Fee Calculation Reset Day within the time required by the Determination Agent for it to make the necessary determinations and calculations under the Conditions, the Lease Rate in respect of such Fee Calculation Reset Day shall be deemed to be equal to the Lease Rate for the immediately preceding Fee Calculation Reset Day and the Determination Agent shall have no liability to any person in respect thereof. The Lease Rate in respect of each Fee Calculation Reset Day shall be published on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time). The Lease Rate as at the [*To be specified in Final Terms – Series Issue Date/Issue Date*] is [*To be specified in Final Terms – ●*].

“LIBOR Rate” means, in relation to a Fee Calculation Reset Day, the rate determined by the Programme Swap Counterparty (expressed as a percentage per annum) equal to the British Bankers Association Interest Settlement Rate published on the Reuters Screen “LIBOR01” Page under the column “USD” for a period of three months (or such successor screen page thereto determined by the Programme Swap Counterparty). If such rate does not appear on the Reuters Screen LIBOR01 Page (or any successor screen page thereto), the LIBOR Rate for such Fee Calculation Reset Day shall be deemed to be equal to the rate last published on the Reuters Screen LIBOR01 Page, provided that if the Reuters Screen “LIBOR01” Page (or such successor screen page thereto) ceases to exist or to publish the relevant rate and the Programme Swap

Counterparty determines that no such successor screen page exists the LIBOR rate for such Fee Calculation Reset Day shall be determined by the Programme Swap Counterparty in good faith and notified to the Issuer and the Determination Agent.

“Product Fee Percentage” means [*To be specified in Final Terms – ●*] per cent. per annum (the **“Maximum Product Fee Percentage”**), or such lower amount as may be determined by the Programme Swap Counterparty and notified to the Issuer, the Transaction Parties and the Securityholders from time to time, provided that the Issuer shall procure (and the Programme Swap Counterparty has agreed) that Securityholders shall be given not less than 30 calendar days’ prior notice in accordance with Condition 19 of any change to the Product Fee Percentage and if the scheduled day notified for any such change is not a Scheduled Valuation Day, the change to the Product Fee Percentage shall take effect on the first following Scheduled Valuation Day. The current Product Fee Percentage and any proposed change to the Product Fee Percentage shall be published on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time). The Product Fee Percentage as at the [*To be specified in Final Terms - Series Issue Date/Issue Date*] is [*To be specified in Final Terms – ●*].

“Swap Replication Fee Percentage” means [*If Swap Replication Fee Percentage is Not Applicable, text will apply or be inserted – 0.0 per cent. per annum.*]/[*If Swap Replication Fee Percentage is Applicable, to be specified in Final Terms – ●*] per cent. per annum (the **“Maximum Swap Replication Fee Percentage”**), or such lower amount as may be determined by the Programme Swap Counterparty and notified to the Issuer, the Transaction Parties and the Securityholders from time to time, provided that the Issuer shall procure (and the Programme Swap Counterparty has agreed) that Securityholders shall be given not less than 30 calendar days’ prior notice in accordance with Condition 19 of any change to the Swap Replication Fee Percentage and if the scheduled day notified for any such change is not a Scheduled Valuation Day, the change to the Swap Replication Fee Percentage shall take effect on the first following Scheduled Valuation Day. The current Swap Replication Fee Percentage and any proposed change to the Swap Replication Fee Percentage shall be published on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time). The Swap Replication Fee Percentage as at the [*If Swap Replication Fee Percentage is Applicable, to be specified in Final Terms – Series Issue Date/Issue Date*] is [*If Swap Replication Fee Percentage is Applicable, to be specified in Final Terms –[●] per cent.*]

6 Security

(a) Security

- (i) The Secured Issuer Obligations are secured in favour of the Trustee, pursuant to the Security Deed, by:
 - (A) an assignment by way of security of all of the Issuer’s rights, title, interest and benefit present and future in, to and under the Agency Agreement, the Custody Agreement, the Determination Agent Agreement, the Authorised Participant Agreement and any other agreement entered into between the Issuer and the Liquidation Agent to the extent that they relate to the ETC Securities;
 - (B) an assignment by way of security of the Issuer’s rights, title, interest and benefit present and future in, to and under the Swap Agreement and each Credit Support Document and a first fixed charge over all property, sums or assets received by the Issuer (or by an Agent on behalf of the Issuer) under the Swap Agreement and

received by the Issuer (or by an Agent on behalf of the Issuer) in connection with the enforcement of the security granted in favour of the Issuer under the Credit Support Deed and/or the enforcement of the Issuer's rights under any other Credit Support Document; and

- (C) a first fixed charge over (a) all sums held now or in the future by the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted -*, and/or the Registrar] and/or the Custodian to meet payments due in respect of any Secured Issuer Obligation or Other Issuer Obligation relating to the ETC Securities, (b) any sums of money, securities, commodities, financial instruments or other property received or receivable now or in the future by the Issuer under the Swap Agreement and/or any Credit Support Document, (c) all of the Issuer's rights as against the Custodian and/or any Sub-Custodian in respect of any sum or property now or in the future standing to the credit of the accounts of the Issuer with the Custodian or of the Custodian (on behalf of the Issuer) with any Sub-Custodian relating to this Series of ETC Securities and (d) all sums, commodities, securities and any other property held or received by the Liquidation Agent relating to the Swap Agreement, the Credit Support Deed, any other Credit Support Document and the ETC Securities.
- (ii) The Security is granted to the Trustee as continuing Security for the Secured Issuer Obligations. In accordance with the Security Deed, prior to any enforcement of the Security, the Trustee will be deemed to release from such Security without the need for any notice or other formalities:
 - (A) sums held by the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted -*, the Registrar], the Custodian and/or the Liquidation Agent, as applicable, to the extent required for payment of any sum in respect of the ETC Securities and/or under the Transaction Documents which is due and payable to be duly made (which for the avoidance of doubt shall include, without limitation, amounts payable in respect of Principal or default interest (if any) to Securityholders in accordance with these Conditions, amounts which the Liquidation Agent is permitted to deduct pursuant to Condition 6(d), amounts payable to the Swap Counterparty under the Swap Agreement in connection with the increase of the exposure under the Swap Transaction relating to a further issue of ETC Securities, amounts payable to the Swap Counterparty under the Credit Support Deed (if any) and Buy-Back Redemption Amounts payable to any Authorised Participant by the Issuer);
 - (B) any part of the Secured Property when it becomes payable to the extent that payment of it may be obtained and duly paid to the Secured Creditors and/or the Other Creditors under the relevant Transaction Document(s) and/or to holders of ETC Securities;
 - (C) any part of the Secured Property to the extent required to effect a transfer of Posted Collateral to the Swap Counterparty in accordance with the terms of the Credit Support Deed and/or to make any payments or deliveries (if any) under any other Credit Support Document;
 - (D) at any time after the security under the Credit Support Deed becomes enforceable, any part of the Secured Property to the extent required to enable the Issuer and/or the Liquidation Agent to enforce the security under the Credit Support Deed and realise the Posted Collateral in accordance with Condition 6(d);

- (E) any part of the Secured Property to the extent required to comply with and subject to the provisions of Conditions 6(g) and 6(h);
- (F) any part of the Secured Property to the extent required to give effect to the substitution of the Posted Collateral under the Credit Support Deed in accordance with Condition 11(d) and the Credit Support Deed;
- (G) any part of the Secured Property to the extent required to give effect to the transfer, novation or assignment of the Swap Agreement or the Credit Support Deed in accordance with Condition 11(b) and the Swap Agreement or Credit Support Deed, as applicable; and
- (H) a *pro rata* amount of the Secured Property in connection with the purchase and cancellation of any ETC Securities by the Issuer.

(b) ***Money Received by the Trustee Prior to Enforcement of Security***

- (i) Pursuant to the terms of the Trust Deed, the Issuer agrees, on any date on which a payment of Principal under these Conditions in respect of any ETC Securities becomes due, unconditionally to pay the Trustee (or to the order of the Trustee) in same day funds, in accordance with the Trust Deed, the Final Redemption Amount or Early Redemption Amount, as applicable, in respect of the ETC Securities which is due and payable on that date together with any default interest payable in relation thereto under Condition 12(j). Notwithstanding anything to the contrary in these Conditions or the Trust Deed, (1) payment of Principal due under the ETC Securities pursuant to the Conditions made to the Issuing and Paying Agent in accordance with the terms of the Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of Principal in respect of the ETC Securities to the Trustee for the account of the Securityholders except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant Securityholders (whether via payment through the Relevant Clearing System or otherwise) and (2) a payment of Principal made after the due date or as a result of the ETC Securities becoming repayable following an Event of Default or the occurrence of an Early Redemption Event shall be deemed to have been made when the full amount due has been received by the Issuing and Paying Agent or the Trustee and notice to that effect has been given to the Securityholders, except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant Securityholders (whether via payment through the Relevant Clearing System or otherwise). Under the terms of the Trust Deed, the Trustee holds the benefit of this covenant on trust for itself and the Securityholders according to their respective interests.
- (ii) Subject to Condition 6(d)(iii) and save for any moneys received in connection with the realisation or enforcement of all or part of the Security, all moneys received by or on behalf of the Trustee in relation to the Issuer's covenant to pay Principal pursuant to Condition 6(b)(i) will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them, subject to Conditions 20(kk) and 20(ll):
 - (A) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by or payable to the Trustee under or pursuant to the Transaction Documents (including, without limitation, any Taxes (other than any income, corporation or similar tax in respect of the Trustee's remuneration) required to be paid by the Trustee in connection with the performance of its obligations under the Transaction Documents and the Trustee's remuneration);

- (B) secondly, in payment of any amounts owing to the holders of ETC Securities *pari passu* and rateably; and
- (C) thirdly, in payment of any balance to the Issuer for itself.

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

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

Pursuant to the terms of the Security Deed, subject to Condition 6(d)(ii), and Conditions 20(kk) and 20(ll), the Trustee will apply the proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement and after taking account of (x) any Taxes incurred, withheld or deducted by or on behalf of the Issuer and (y) any amounts which the Liquidation Agent is permitted to deduct from the proceeds of the realisation of the Posted Collateral in accordance with Condition 6(d) properly incurred by the Liquidation Agent prior to the enforcement of the Security by the Trustee (which shall have been certified (including the amounts due to the Liquidation Agent) by the Issuer and the Liquidation Agent to the Trustee which certificate shall be conclusive and binding)) as follows:

- (i) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee or any receiver under or pursuant to the Security Deed and/or the Trust Deed and/or any other Transaction Document (which for the purpose of this Condition 6(c) and the Security Deed shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security and the Trustee's remuneration);
- (ii) secondly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of the ETC Securities (to the extent not paid to the Issuer or direct to the ultimate payee by the Arranger following the occurrence of an Arranger Bankruptcy Event);
- (iii) thirdly, in payment of any amounts owing to the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted* –or the Registrar] for reimbursement in respect of proper payment of Principal and default interest (if any) made to the relevant holders of ETC Securities;
- (iv) fourthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing and Paying Agent, any other Paying Agent(s) [*If Uncertificated Registered Securities, text will apply or be inserted* -, the Registrar and the Transfer Agents] pursuant to the Agency Agreement, (II) the Custodian pursuant to the Custody Agreement, (III) the Determination Agent and the Programme Swap Counterparty pursuant to the Determination Agent Agreement and (IV) the Liquidation Agent pursuant to the Agency Agreement or such other agreement under which the Liquidation Agent (if any) is appointed;
- (v) fifthly, in payment of any amounts owing to the Securityholders *pari passu* and rateably;
- (vi) sixthly, in payment of any amounts owing to the Swap Counterparty under the Swap Agreement; and
- (vii) seventhly, in payment of the balance (if any) to the Securityholders.

(d) ***Enforcement of Security Constituted Under a Credit Support Deed or Other Credit Support Document***

- (i) If the Swap Agreement terminates and the Swap Counterparty does not pay in full the amount payable under the Swap Agreement when due and the security under the Credit Support Deed becomes enforceable in accordance with its terms, the Issuer shall use reasonable endeavours to appoint a Liquidation Agent as soon as is reasonably practicable (and provided always that the Issuer shall not be liable for any non-appointment of any Liquidation Agent or for any losses, damages, costs or expenses that result from any such non-appointment) to assist the Issuer in the enforcement of the security granted under the Credit Support Deed. The Liquidation Agent shall be appointed as agent of the Issuer to realise the Posted Collateral under the Credit Support Deed in a timely fashion in accordance with the terms of the Credit Support Deed and applicable laws, until such time as the Security constituted under the Security Deed has become enforceable and the Trustee notifies the Liquidation Agent that it is enforcing such Security and to cease its activities in relation thereto.

In appointing a Liquidation Agent, the Issuer shall act in good faith and shall seek to appoint a Liquidation Agent of good professional standing, having appropriate relevant experience and charging fees that are no higher than is commercially reasonable. The Issuer is under no obligation to obtain more than one quotation for such role and, where there is more than one candidate, may choose the entity it considers best suited to the role, regardless of whether other potential candidates would have charged lower fees. At any time after the security granted pursuant to the Credit Support Deed has become enforceable, the Issuer (or its agent) may authorise and direct the Custodian and/or any Sub-Custodian to deliver the Posted Collateral held by the Custodian or Sub-Custodian to, or to the order of, the Liquidation Agent. Pursuant to the terms of the Security Deed, the Security described in Condition 6(a) shall automatically be released without further action on the part of the Trustee to the extent necessary to effect the enforcement of the security granted under the Credit Support Deed and the realisation of the Posted Collateral; provided that nothing in this Condition 6(d) shall operate to release the charges and other security interests over the proceeds of the enforcement of the security under the Credit Support Deed and the realisation of the Posted Collateral.

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

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

such Taxes, fees, costs, charges, losses, damages, liabilities or expenses were caused by its own fraud or wilful default.

Subject as provided above, in carrying out any realisation, the Liquidation Agent will act in good faith and will sell at a price which it reasonably believes to be representative of the price available in the market for the sale of the relevant amount of Posted Collateral being disposed of in the relevant transaction. Without prejudice to anything in this Condition 6(d)(i), if the Posted Collateral comprises Gold, the Liquidation Agent shall use reasonable efforts to realise the Posted Collateral in such a way as to minimise any value added tax which may be charged, withheld or deducted on the realisation thereof which would reduce the net realisation proceeds (as compared to the position if no value added tax were due), save that nothing in this Condition 6(d)(i) shall require the Liquidation Agent to minimise any such value added tax in a manner which would itself reduce the net realisation proceeds.

Subject as provided above, in carrying out any realisation, the Liquidation Agent may sell to itself, or any Affiliate of it, provided that the Liquidation Agent shall sell at a price which it believes to be a fair market price and, to the extent that the Posted Collateral comprises Gold and a sale to an LBMA member would minimise the value added tax which may be charged, withheld or deducted on the relevant sale as provided above (and thus maximise net realisation proceeds after deduction for the value added tax (if any) due thereon) and one or more LBMA members are willing to purchase the Posted Collateral at a fair market price, to an LBMA member.

In respect of any other Credit Support Document which is not in the form of a credit support deed if the Swap Agreement terminates and the Swap Counterparty does not pay in full the amount payable to the Issuer under the Swap Agreement when due, the Issuer may, subject to the terms of such Credit Support Document, take such steps or action as it determines appropriate to enforce the terms of such Credit Support Document.

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

by the Trustee in connection with the performance of its obligations under the Trust Deed and/or the Security Deed and/or the other Transaction Documents and the Trustee's remuneration);

- (C) thirdly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of the ETC Securities (to the extent not paid to the Issuer or direct to the ultimate payee by the Arranger following the occurrence of an Arranger Bankruptcy Event);
 - (D) fourthly, in payment of any amounts owing to the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted* – or the Registrar] for reimbursement in respect of proper payment of Principal and default interest (if any) made to the relevant holders of ETC Securities;
 - (E) fifthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing and Paying Agent, any other Paying Agent(s) [*If Uncertificated Registered Securities, text will apply or be inserted* –, the Registrar and the Transfer Agents] pursuant to the Agency Agreement, (II) the Custodian pursuant to the Custody Agreement, and (III) the Determination Agent and the Programme Swap Counterparty pursuant to the Determination Agent Agreement;
 - (F) sixthly, in payment of any amounts owing to the Securityholders *pari passu* and rateably;
 - (G) seventhly, in payment of any other amounts owing to the Swap Counterparty under the Swap Agreement; and
 - (H) eighthly, in payment of the balance (if any) to the Securityholders.
- (iii) Pursuant to the terms of the Credit Support Deed, the Issuer (or any relevant Agent of the Issuer) will transfer to the Swap Counterparty any proceeds and Posted Collateral remaining after the enforcement of the security granted in favour of the Issuer under the Credit Support Deed and the liquidation of the Posted Collateral and set-off and/or application of the proceeds of such liquidation by (or on behalf of) the Issuer under the Credit Support Deed in satisfaction in full of the amount(s) due and payable by the Swap Counterparty to the Issuer under the Swap Agreement and the Credit Support Deed (such remaining proceeds and Posted Collateral, the “**Excess Credit Support Property**”). The Excess Credit Support Property shall, at all times, be and remain the property of the Swap Counterparty and shall not be subject to or form part of the property to be distributed in accordance with the orders of priority in this Condition 6.

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

The Security over the Secured Property shall become enforceable if payment of Principal in respect of the ETC Securities is not made when due on the Scheduled Maturity Date or the relevant Early Redemption Date (if applicable).

(f) **Realisation of Security**

At any time after the Security has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding (determined on an outstanding (actual) basis) or by an Extraordinary Resolution of the Securityholders, in each case subject to it having been pre-funded and/or secured and/or indemnified to its satisfaction by the Securityholders, enforce the Security constituted under the Security Deed.

To do this, it may, at its discretion, (i) enforce, terminate and/or realise any relevant Transaction Document relating to the ETC Securities in accordance with its or their terms, and/or take action against the relevant Obligor(s) and/or (ii) take possession of and/or realise all or part of the Secured Property over which the Security shall have become enforceable and may in its discretion, sell, call in, collect and convert into money all or part of the Secured Property, in such manner and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders and the Trustee will not be obliged or required to take any action or step which may involve it in incurring any personal liability or expense unless pre-funded and/or secured and/or indemnified to its satisfaction.

The Trustee may, in writing, appoint a receiver of all or part of the Secured Property relating to the ETC Securities over which any Security shall have become enforceable and may remove any receiver so appointed and appoint another in its place. No delay or waiver of the right to exercise these powers shall prejudice their future exercise.

Neither the Trustee nor any receiver appointed by it or any attorney or agent of the Trustee will, by reason of taking possession of any Secured Property relating to the ETC Securities or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such Secured Property or from any act or omission to such Secured Property or otherwise unless such loss or damage shall be caused by its own fraud.

The Trustee shall not be required to take any action in relation to the enforcement of the Security that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction.

(g) ***Shortfall after Application of Proceeds***

In respect of the ETC Securities, the Transaction Parties and the Securityholders shall have recourse only to the Secured Property in respect of the ETC Securities, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 6, the Trust Deed and the Security Deed, as applicable, any outstanding claim against the Issuer in respect of the Secured Issuer Obligations remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim in accordance with this Condition 6(g), none of the Transaction Parties, the Securityholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

None of the Transaction Parties, the Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the sums, assets and/or property attributable to any other securities issued by the Issuer (save for any further securities which form a single series with the ETC Securities).

The provisions of this Condition 6(g) shall survive notwithstanding any redemption of the ETC Securities or the termination or expiration of any Transaction Document.

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

Without prejudice to Condition 16(a), at any time before any Security in respect of the ETC Securities becomes enforceable, the Issuer may, with the sanction of an Extraordinary Resolution or with the prior written consent of the Trustee:

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

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

7 Restrictions

So long as any of the ETC Securities remain outstanding, the Issuer shall not, without the prior written consent of the Trustee and, other than in respect of paragraphs (ii), (iii) and (vi), the Arranger and the Programme Swap Counterparty:

- (i) engage in any business activities, save that the Issuer may without consent engage in any of the following activities (or any other business activity which relates to or is incidental thereto):
 - (A) issue, enter into, amend, exchange or repurchase and cancel or reissue or resell all or some only of the ETC Securities of any Series under the Programme as may be provided in these Conditions and the Trust Deed and the Transaction Documents and in connection therewith enter into or amend Transaction Documents accordingly;
 - (B) acquire and own rights, property or other assets which are to comprise Secured Property for a Series of ETC Securities issued under the Programme so as to enable it to discharge its obligations under such Series, and any relevant Transaction Document relating to such Series;
 - (C) perform its respective obligations under any ETC Securities issued under the Programme, and any relevant Transaction Document entered into in connection with such Series, and any agreements incidental to the granting of Security relating to any such Series of ETC Securities or incidental to the issue and constitution of any Series of ETC Securities issued under the Programme;
 - (D) engage in any activity in relation to the Secured Property, the Posted Collateral, the Swap Agreement, any Credit Support Document or any other Transaction Document contemplated by the Conditions, the Swap Agreement, the Credit Support Deed or such Transaction Document relating to any Series of ETC Securities;
 - (E) subject as provided in the relevant Trust Deed, the relevant Security Deed and in the Conditions relating to any Series of ETC Securities enforce any of its rights whether under the relevant Trust Deed, the relevant Security Deed, any other Transaction Document or

otherwise under any agreement entered into in relation to any Series of ETC Securities or any Secured Property relating to any such Series; and

- (F) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);
- (ii) cause or permit the Swap Agreement, any Credit Support Document or the terms of the Security granted under the Security Deed and the order of priority specified in the Conditions, the Trust Deed and the Security Deed, as applicable, to be amended, terminated or discharged (other than as contemplated by the relevant Trust Deed, Security Deed, Swap Agreement, Credit Support Document and/or the Conditions relating to such Series of ETC Securities);
- (iii) release any party to any Swap Agreement, any Credit Support Document, the relevant Trust Deed, the relevant Security Deed or any other relevant Transaction Document relating to a Series of ETC Securities from any existing obligations thereunder (other than as contemplated by the relevant Trust Deed, Security Deed, Swap Agreement, Credit Support Document and/or the Conditions relating to such Series of ETC Securities);
- (iv) have any subsidiaries;
- (v) sell, transfer or otherwise dispose of the Secured Assets, the Secured Swap Rights, the Secured Agent Rights or any other part of the Secured Property in respect of any Series of ETC Securities or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over such Secured Property (to the extent it relates to the Issuer) except in accordance with the Conditions of the relevant ETC Securities of any such Series, the Swap Agreement and/or any Credit Support Document relating to any such Series, the relevant Agency Agreement, the relevant Trust Deed for any such Series, the relevant Security Deed and any other Transaction Document relating to any such Series as may be applicable;
- (vi) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of any Swap Agreement, any Credit Support Document, the Conditions, the relevant Trust Deed, the relevant Security Deed or any other Transaction Document relating to any Series of ETC Securities (other than as contemplated by the Conditions and the relevant Transaction Documents);
- (vii) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the relevant Trust Deed and the Conditions for any Series of ETC Securities);
- (viii) have any employees;
- (ix) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation and which are held on charitable trust by the subscribers currently being Elian Nominees (Jersey) Limited and Naile Nominees (Jersey) Limited) or make any distribution to its shareholders;
- (x) open or have any interest in any account with a bank or financial institution other than the Reserve Trust Account unless such account (A) relates to a Series of ETC Securities, a Custody Agreement, a Swap Agreement or a Credit Support Document or any Secured Property relating to a Series of ETC Securities or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the relevant Trustee so as to form part of the relevant Secured Property relating to such Series of ETC Securities or (B) is opened in connection with the

administration and management of the Issuer and only moneys necessary for that purpose are credited to it;

- (xi) declare any dividends, other than an annual dividend payable to the shareholder(s) of the Issuer in the aggregate amount of GBP 1,000;
- (xii) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (xiii) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (xiv) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (xv) except as contemplated by any relevant Transaction Document and/or the Conditions relating to a Series of ETC Securities, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Secured Property for any such Series of ETC Securities, to any other entity or person;
- (xvi) subject as provided in (i) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 and 18) issuing further ETC Securities under the Programme (which may or may not form a single series with the ETC Securities of any Series and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such ETC Securities, provided that:
 - (A) such further ETC Securities and obligations are secured on assets of the Issuer other than (I) the Secured Property relating to any other Series of ETC Securities and (II) the Issuer's share capital;
 - (B) such further ETC Securities and obligations are secured *pari passu* upon the Secured Property relating to the Series of ETC Securities with which such ETC Securities are to form a single series (as such Secured Property may be increased in connection with the issue of such further securities), all in accordance with Condition 18 of the relevant Series of ETC Securities; and
 - (C) the Swap Counterparty agrees to increase the economic exposure under the relevant Swap Transaction relating to the Series of ETC Securities with which such ETC Securities are to form a single series by a *pro rata* amount in connection with such issue of further ETC Securities,

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

8 Redemption, Purchase and Options

(a) *Final Redemption*

Unless previously redeemed in whole or purchased and cancelled by the Issuer as provided below, each ETC Security shall become due and payable on [*scheduled maturity date of the relevant Series to be specified in Final Terms*] (unless such date is not a Scheduled Valuation Day, in which case that date will be the first following day that is a Scheduled Valuation Day) (the

“Scheduled Maturity Date”) at its final redemption amount (the **“Final Redemption Amount”**), being an amount per ETC Security determined by the Determination Agent equal to the greater of:

- (i) the Value per ETC Security in respect of the Final Redemption Valuation Date as determined pursuant to Condition 5(b)(iii) using the Average Redemption Closing Index Level; and
- (ii) 2 per cent. of the Issue Price per ETC Security as at the Series Issue Date (the **“Minimum Redemption Amount”**).

If the term of the Swap Transaction has been extended as described in Condition 11(c) so that the scheduled termination date of the Swap Transaction is the same date as the Scheduled Maturity Date of the ETC Securities, the Issuer will be scheduled to receive an amount per ETC Security outstanding (determined on an outstanding (actual) basis) as at the Final Redemption Valuation Date equal to the Value per ETC Security in respect of the Final Redemption Valuation Date as determined pursuant to Condition 5(b)(iii) using the Average Redemption Closing Index Level. The Value per ETC Security in respect of the Final Redemption Valuation Date may be lower than the Minimum Redemption Amount.

The ability of the Issuer to make payment of an amount equal to the Value per ETC Security as part of the Final Redemption Amount is dependent on its receipt in full from the Swap Counterparty of payments due under the Swap Agreement. To the extent the Issuer does not receive such payment in full the provisions of Condition 6 shall apply with respect to the enforcement of the Issuer’s rights against the Posted Collateral under the Credit Support Deed and its rights under any other Credit Support Document and the payment of any proceeds of any such enforcement shall be made in accordance with Condition 6. Such payments are also subject to the limited recourse provisions of Condition 6(g). As a result of such provisions, in such circumstances, the Securityholders may not receive in full the Final Redemption Amount payable in respect of an ETC Security.

The Issuer shall give notice to the Securityholders of the Final Redemption Valuation Date and the relevant number of Observation Dates as soon as reasonably practicable after the Final Redemption Valuation Date.

(b) **Early Redemption Amount**

If any of the Early Redemption Events listed in Condition 8(d) occur, each ETC Security shall become due and payable on the related Early Redemption Date at its early redemption amount (the **“Early Redemption Amount”**) being an amount per ETC Security determined by the Determination Agent equal to the greater of:

- (i) the Value per ETC Security in respect of the Early Redemption Valuation Date as determined pursuant to Condition 5(b)(iii) using the Average Redemption Closing Index Level; and
- (ii) the Minimum Redemption Amount (as defined in Condition 8(a)(ii)).

Under the Swap Agreement, the Issuer will be scheduled to receive an amount per ETC Security outstanding (determined on an outstanding (actual) basis) as at the Early Redemption Valuation Date equal to the Value per ETC Security in respect of the Early Redemption Valuation Date as determined pursuant to Condition 5(b)(iii) using the Average Redemption Closing Index Level. The Value per ETC Security in respect of the Early Redemption Valuation Date may be lower than the Minimum Redemption Amount.

The ability of the Issuer to make payment of an amount equal to the Value per ETC Security as part of the Early Redemption Amount is dependent on its receipt in full from the Swap

Counterparty of payments due under the Swap Agreement. To the extent the Issuer does not receive such payment in full the provisions of Condition 6 shall apply with respect to the enforcement of the Issuer's rights against the Posted Collateral under the Credit Support Deed and its rights under any other Credit Support Document and the payment of any proceeds of any such enforcement shall be made in accordance with Condition 6. Such payments are also subject to the limited recourse provisions of Condition 6(g). As a result of such provisions, in such circumstances, the Securityholders may not receive in full the Early Redemption Amount payable in respect of an ETC Security.

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

The Issuer shall give notice to the Securityholders of the Early Redemption Valuation Date, the relevant number of Observation Dates and the Early Redemption Date of the ETC Securities as soon as reasonably practicable in accordance with Condition 19.

(c) **Issuer Call Redemption Event**

The Issuer may, on giving an irrevocable notice to the Swap Counterparty and the Securityholders in accordance with Condition 19, elect to redeem all the ETC Securities of this Series and designate an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date shall not be earlier than the 60th calendar day following the date of the relevant notice (such notice an “**Issuer Call Redemption Notice**”). For the purposes of Condition 8(b), an Early Redemption Event in the form of an “**Issuer Call Redemption Event**” will occur on the Early Redemption Valuation Date designated in the Issuer Call Redemption Notice (or if such day is not a Scheduled Valuation Day on the first following Scheduled Valuation Day). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the Transaction Parties on the same date as such notice is given to the Swap Counterparty and the Securityholders.

(d) **Early Redemption Events**

Each of the following events shall be an early redemption event (each an “**Early Redemption Event**”):

- (i) on or after the Series Issue Date due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, the Commodity Futures Trading Commission, any Commodity Regulatory Body or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer may give the Trustee, the Determination Agent, the Lead Authorised Participant, the Authorised Participants, the Issuing and Paying Agent, *[If Uncertificated Registered Securities, text will apply or be inserted – the Registrar,]* the Programme Swap Counterparty and the Swap Counterparty and the Securityholders in accordance with Condition 19 notice that all the

ETC Securities of this Series are to be redeemed and designate an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date shall not be earlier than the 30th calendar day following the date of the relevant notice (such notice an **“Issuer Redemption Notice”**), because:

- (A) it has (or reasonably expects that it will) become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Eligible Collateral, and/or (y) perform its obligations under the ETC Securities and/or the Swap Agreement and/or the Credit Support Deed; or
- (B) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the ETC Securities and/or the Swap Agreement and/or the Credit Support Deed (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation).

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

- (ii) the Index Sponsor permanently cancels the Index and the Swap Counterparty determines under the Swap Agreement that no Successor Index exists and notifies the Issuer of such determination (such notice shall be copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) (such notice an **“Index Cancellation No Successor Notice”**). For the purposes of Condition 8(b), an Early Redemption Event in the form of an **“Index Cancellation Redemption Event”** will occur on the fourth Scheduled Valuation Day following the date of the Index Cancellation No Successor Notice;
- (iii) the Swap Transaction terminates in accordance with the terms of the Swap Agreement on the last day of its scheduled term and such day falls before the Scheduled Maturity Date of the ETC Securities. Under the terms of the Swap Agreement, the Swap Counterparty will give the Issuer not less than 90 calendar days’ prior notice, copied to the Programme Swap Counterparty, the Trustee, the Determination Agent, the Lead Authorised Participant, each Authorised Participant and the Issuing and Paying Agent, if the Swap Transaction is to so terminate. The Issuer shall, as soon as reasonably practicable after receipt of such notice from the Swap Counterparty, notify the Securityholders of the Swap Counterparty’s election in accordance with Condition 19. For the purposes of Condition 8(b), an Early Redemption Event in the form of a **“Scheduled Swap Redemption Event”** will occur on the scheduled termination date of the Swap Transaction;
- (iv) a date occurs or is designated by the Issuer or the Swap Counterparty, as applicable (or deemed to have occurred or been designated automatically in accordance with the terms of the Swap Agreement), on which the Swap Agreement is to terminate in whole prior to the Scheduled Maturity Date of the ETC Securities (the date of termination being the **“Swap Early Termination Date”**). For the purposes of Condition 8(b), an Early Redemption Event in the form of a **“Swap Agreement Redemption Event”** will occur on such Swap Early Termination Date. Set out below is a description of the circumstances and events in which a Swap Early Termination Date may be so designated or occur.
 - (A) Pursuant to the terms of the Swap Agreement, a Swap Early Termination Date may occur or be designated by the Issuer (or be deemed to have occurred or been

designated automatically as described below) under the Swap Agreement if one of the following events occurs (each a **“Swap Counterparty Event of Default”**):

- (I) *Failure to Pay*: the Swap Counterparty fails to make, when due, (x) any payment under the Swap Agreement required to be made by it (other than payment of a Partial Early Termination Amount (as defined below)) if such failure is not remedied on or before the first Scheduled Valuation Day in the case of any such payment after notice of such failure is given to the Swap Counterparty by the Issuer under the Swap Agreement; or (y) any payment to be made in respect of a partial termination of the Swap Transaction relating to a buy back of ETC Securities as contemplated in Condition 8(e) (such payment a **“Partial Early Termination Amount”**), provided that with respect to a failure to make a payment of a Partial Early Termination Amount, if such failure is not remedied on or before the 15th Scheduled Valuation Day following the due date for payment (such day, the **“Partial Early Termination Amount Remedy End Date”**) a Swap Early Termination Date shall occur automatically on the first Scheduled Valuation Day following the Partial Early Termination Amount Remedy End Date;
- (II) *Breach of Agreement*: failure by the Swap Counterparty to comply with or perform any agreement or obligation (other than an obligation to make any payment under the Swap Agreement or to give notice of a termination event or event of default under the Swap Agreement or to provide certain information under the Swap Agreement) to be complied with or performed by the Swap Counterparty in accordance with the Swap Agreement if such failure is not remedied within 30 calendar days after notice of such failure is given to the Swap Counterparty by the Issuer under the Swap Agreement;
- (III) *Repudiation*: the Swap Counterparty disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Swap Agreement, the confirmation relating to the Swap Transaction or the Swap Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);
- (IV) *Credit Support Default*: each of the following (x) the Swap Counterparty or any Credit Support Provider of the Swap Counterparty fails to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document and such failure is continuing on the date that is 10 calendar days after the date of notice of such failure is given to the Swap Counterparty or Credit Support Provider (as relevant) by the Issuer provided that such failure (1) does not occur in connection with the inability of market participants in general to acquire or transfer Eligible Collateral of the relevant type comprising the Posted Collateral, (2) does not occur in connection with the imposition of any limit, prohibition or other restriction imposed upon the Swap Counterparty or the Credit Support Provider by any applicable law, regulation, government or regulatory body or by reason of any force majeure, illegality or impossibility or (3) does not occur in connection with an error or omission of an administrative or operational nature where the asset(s) to be transferred were available to the Swap Counterparty or the Credit Support Provider to enable it to make the relevant transfer when due; or (y) any Credit Support Document expires or terminates or the failing or ceasing of any Credit Support Document or any security

interest granted by the Swap Counterparty or such Credit Support Provider to the Issuer pursuant to a Credit Support Document fails or ceases to be in full force and effect for the purpose of the Swap Agreement (in each case other than in accordance with its terms) prior to the satisfaction of all obligations of the Swap Counterparty under the Swap Transaction and the Swap Agreement without the written consent of the Issuer; or (z) the Swap Counterparty or its Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, any Credit Support Document (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

- (V) *Misrepresentation*: a representation (other than certain tax representations given under the Swap Agreement) made or repeated or deemed to have been made or repeated by the Swap Counterparty or any Credit Support Provider of the Swap Counterparty in the Swap Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;
- (VI) *Bankruptcy*: the Swap Counterparty or any Credit Support Provider of the Swap Counterparty: (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)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a 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 by it or such regulator, supervisor or similar official, or (B) has instituted against it a 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 such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (X) 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 (Y) is not dismissed, discharged, stayed or restrained in each case within 15 calendar days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) 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; (7) 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 15 calendar days thereafter; (8) 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 (7) above (inclusive); or (9) takes any

action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

- (VII) *Merger without Assumption*: the Swap Counterparty or any Credit Support Provider of the Swap Counterparty consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, or reorganises, reincorporates or reconstitutes into or as another entity and, at the time of such consolidation, amalgamation, merger, transfer, reorganisation, reincorporation or reconstitution: (1) the resulting, surviving or transferee entity fails to assume all the obligations of the Swap Counterparty or such Credit Support Provider under the Swap Agreement or any Credit Support Document to which it or its predecessor was a party, as applicable; or (2) the benefits of any Credit Support Document fail to extend (without the consent of the Issuer) to the performance by such resulting, surviving or transferee entity of its obligations under the Swap Agreement.

The Issuer shall give notice to the Swap Counterparty, copied to each Transaction Party and to the Securityholders in accordance with Condition 19, if it designates a Swap Early Termination Date under the Swap Agreement or if a Swap Early Termination Date is automatically designated.

- (B) Pursuant to the terms of the Swap Agreement, a Swap Early Termination Date may occur or be designated by the Swap Counterparty under the Swap Agreement if one of the following events occurs (each an “**Issuer Swap Event of Default**”):
- (I) *Failure to Pay*: the Issuer fails to make, when due, any payment under the Swap Agreement required to be made by it if such failure is not remedied on or before the first Scheduled Valuation Day after notice of such failure is given to the Issuer;
- (II) *Credit Support Default*: the Issuer fails to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with the Credit Support Deed if such failure is continuing after any applicable grace period has elapsed; or the Issuer disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Credit Support Deed (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf); or
- (III) *Bankruptcy*: the Issuer: (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) makes a general assignment, arrangement or composition with or for the benefit of its Securityholders; (3)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a 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 by it or such regulator, supervisor or similar official, or (B) has instituted against it (other than by the Swap Counterparty or any of its Affiliates) a 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 such proceeding or petition is instituted or presented by a

person or entity not described in clause (A) above and either (I) 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 (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (4) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (5) becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for assets on which the liabilities of the Issuer under the Swap Transaction are secured pursuant to the Security Deed (other than the appointment of a trustee, custodian or similar person for the purpose of an issue of ETC Securities or other securities by the Issuer); (6) has a secured party (other than the Trustee) take possession of assets on which the liabilities of the Issuer under the Swap Transaction are secured pursuant to the Security Deed or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against assets on which the liabilities of the Issuer under the Swap Transaction are secured pursuant to the Security Deed and such secured party (other than the Trustee) maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (7) 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 (6) above (inclusive); or (8) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

The Swap Counterparty shall give notice to the Issuer, copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant), if it designates a Swap Early Termination Date under the Swap Agreement and the Issuer shall, as soon as reasonably practicable after receipt of such notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

- (C) Pursuant to the terms of the Swap Agreement, a Swap Early Termination Date may occur or be designated by the Swap Counterparty under the Swap Agreement if one of the following events occurs (each an “**Additional Swap Termination Event**”):
- (I) *Hedging Disruption Event*: the Swap Counterparty delivers a Disruption Event Notice relating to a Hedging Disruption Event under the Swap Agreement; or
 - (II) *Index Component Tax Event*: in relation to a Component of the Index, any government or taxation authority imposes, changes or removes any Tax on, or measured by reference to such Component (other than a tax on, or measured by reference to, overall gross or net income) at any time on or after the Series Issue Date, and the direct effect of such imposition, change or removal is, in the opinion of the Swap Calculation Agent as notified to the Issuer and the Swap Counterparty under the Swap Agreement, to raise or lower the relevant Component Commodity Reference Price.

The Swap Counterparty shall give notice to the Issuer, copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant), if it designates a Swap Early Termination Date under the Swap Agreement and the Issuer shall, as soon as reasonably practicable, give notice thereof to the

Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

- (D) Pursuant to the terms of the Swap Agreement, a Swap Early Termination Date will automatically occur on the date designated as the Swap Early Termination Date by the Swap Counterparty in the notice (if any) (a “**Swap Optional Termination Exercise Notice**”) given by the Swap Counterparty to the Issuer (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) in respect of its right to elect under the Swap Agreement to terminate the Swap Transaction in full at any time subject to the requirement that the date designated in the notice must not be a date falling prior to the 60th calendar day after the date of such notice and that no Swap Counterparty Event of Default (or event which with the giving of notice or the lapse of time or both would constitute a Swap Counterparty Event of Default) or Swap Counterparty Termination Event has occurred and is continuing under the Swap Agreement on the date such notice is delivered. An “**Automatic Additional Swap Termination Event**” will occur on the date designated as the Swap Early Termination Date in such notice.

The Issuer shall, as soon as reasonably practicable upon receipt of any such Swap Optional Termination Exercise Notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

- (E) Pursuant to the terms of the Swap Agreement, a Swap Early Termination Date will automatically be deemed to have been designated by the Issuer under the Swap Agreement on the Scheduled Valuation Day following the announcement by an ISDA Credit Derivatives Determinations Committee that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to the Swap Counterparty or any Credit Support Provider of the Swap Counterparty (a “**Swap Counterparty Termination Event**”). The Issuer shall as soon as reasonably practicable after it is notified in writing by a Securityholder or a Transaction Party of any such announcement by an ISDA Credit Derivatives Determinations Committee, provided that a copy of the announcement is provided to the Issuer and the Issuer is able to verify that such announcement was made on ISDA’s website, give notice of the occurrence of the Swap Counterparty Termination Event to the Transaction Parties and to the Securityholders in accordance with Condition 19. For the avoidance of doubt, no Transaction Party shall be required to monitor whether any such ISDA Credit Derivatives Determinations Committee announcement has been made and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer.
- (F) Pursuant to the terms of the Swap Agreement, a Swap Early Termination Date may occur or be designated by any Tax Affected Party (as defined below) if the following event (a “**Swap Agreement Tax Event**”) occurs:
- (I) due to (1) any action taken by a taxing authority, or brought in a court of competent jurisdiction after the Series Issue Date or (2) a change in tax law, such Tax Affected Party would (or there is a substantial likelihood that it would), without regard to the provision of the Swap Agreement which provides that no party shall be required to make an additional payment with respect to any Tax deducted or withheld from a payment under the Swap Agreement, on the next day on which payments are scheduled to be made in accordance

with the Swap Agreement, be required to pay an additional amount in connection with Tax which is indemnifiable under the terms of the Swap Agreement, or receive an amount from which Tax has been deducted or withheld (without receiving an additional amount with respect to such deduction or withholding) (such event being a **"Change To Tax Event"**); or

- (II) other than in respect of a Change To Tax Event, a party to the Swap Agreement will, or there is a substantial likelihood that it will, on the next succeeding day on which payments are scheduled to be made in accordance with the Swap Agreement, be required to make any deduction or withholding for or on account of Tax on any payment due from it under the Swap Agreement or a party to the Swap Agreement will, or there is a substantial likelihood that it will, on the next succeeding day on which payments are scheduled to be made in accordance with the Swap Agreement, receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax,

provided that no Swap Early Termination Date may be designated by a Tax Affected Party unless (x) an agreement to make a Tax Event Transfer (as defined below) has not been obtained by the Transfer Agreement Cut-Off Date (as defined below) or a Tax Event Transfer has not been executed by the Tax Event Transfer Period End Date (as defined below) and (y) the Swap Agreement Tax Event is continuing at the time of designation.

For the purposes of a Swap Agreement Tax Event, both parties to the Swap Agreement shall be a **"Tax Affected Party"**.

Under the terms of the Swap Agreement, following the occurrence of a Swap Agreement Tax Event, the Swap Counterparty may:

- (1) agree to transfer all of its rights and obligations under the Swap Agreement to an Eligible Counterparty (whether or not an Affiliate) in accordance with the terms of the Swap Agreement; or
- (2) require and request the Issuer to confirm its agreement to transfer all of its rights and obligations under the Swap Agreement to another person specified by the Swap Counterparty (but provided that such transfer is to a person who is being substituted for the Issuer in respect of the ETC Securities pursuant to, and in compliance with, Condition 16(c) and subject to the Swap Counterparty meeting all the costs and expenses of any such substitution and transfer),

in each case so that the Swap Agreement Tax Event ceases to exist (such transfers being **"Tax Event Transfers"**). Under the terms of the Swap Agreement, the Issuer and the Swap Counterparty have 45 calendar days from the date of the notice of a Swap Agreement Tax Event (the **"Transfer Agreement Cut-Off Date"**) to agree to a Tax Event Transfer. Any such transfer so agreed is required to be completed within 90 days of the relevant Transfer Agreement Cut-Off Date (the **"Tax Event Transfer Period End Date"**).

- (G) Pursuant to the terms of the Swap Agreement, a Swap Early Termination Date may be designated under the Swap Agreement by the Issuer or the Swap Counterparty if an illegality event and/or a force majeure event occurs. The party designating a Swap Early Termination Date will give notice to the other party, copied to each

Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) if it designates a Swap Early Termination Date under the Swap Agreement in connection with an illegality event and/or a force majeure event and the Issuer shall, as soon as reasonably practicable, give notice thereof to the Securityholders thereof in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

- (v) any of the Determination Agent, the Issuing and Paying Agent, the Programme Swap Counterparty, the Custodian, [*If Uncertificated Registered Securities, text will apply or be inserted* – the Registrar,] the Lead Authorised Participant and/or all of the Authorised Participants in relation to the ETC Securities resign or their appointment in relation to this Series of ETC Securities is terminated for any reason and no successor or replacement has been appointed within 60 calendar days of the date of notice of resignation or termination or the date the appointment was automatically terminated in accordance with the Determination Agent Agreement, the Custody Agreement or the Agency Agreement, as applicable, and the Issuer gives notice (an **“Agent Redemption Event Notice”**) to the Transaction Parties and the Securityholders in accordance with Condition 19. For the purposes of Condition 8(b), an Early Redemption Event in the form of an **“Agent Redemption Event”** will occur on the fourth Scheduled Valuation Day after the date of the Agent Redemption Event Notice;
- (vi) if the Value per ETC Security in respect of the ETC Securities has not been published by or on behalf of the Issuer for 14 consecutive Non-Disrupted Scheduled Valuation Days (a **“Publication Failure Event”**) and the Trustee is notified in writing of such Publication Failure Event and directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding (determined on an outstanding (actual) basis) (a **“Securityholder Notice and Direction”**) to give a notice under this Condition 8(d)(vi) to the Issuer, the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a **“Publication Event Redemption Notice”**) to the Issuer, copied to each of the Transaction Parties. Any such notice and direction given to the Trustee pursuant to this Condition 8(d)(vi) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and/or the Trustee. For the purposes of Condition 8(b), an Early Redemption Event in the form of a **“Publication Redemption Event”** will occur on the fourth Scheduled Valuation Day following the date of the Publication Event Redemption Notice. The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Publication Failure Event has occurred or exists and, unless and until the Trustee receives a Securityholder Notice and Direction, the Trustee shall be entitled to assume that no such event has occurred;
- (vii) if the Value per ETC Security on two consecutive Non-Disrupted Scheduled Valuation Days is less than or equal to 10 per cent. of the Issue Price per ETC Security as at the Series Issue Date (the **“Value per ETC Security Threshold Level”**), the Determination Agent shall give notice (a **“Value per ETC Security Threshold Level Notice”**) to the Issuer, copied to each of the Transaction Parties. For the purposes of Condition 8(b), an Early Redemption Event in the form of a **“Value per ETC Security Threshold Redemption Event”** will occur on the fourth Scheduled Valuation Day following the date of the Value per ETC Security Threshold Level Notice;
- (viii) an Issuer Call Redemption Event occurs pursuant to Condition 8(c);

- (ix) if a Securityholder requests a firm bid price from one or more Authorised Participants for its ETC Securities on each of five consecutive Non-Disrupted Scheduled Valuation Days and no Authorised Participant provides the Securityholder with a firm bid price for such ETC Securities (a **"Bid Price Request Event"**), the Securityholder may deliver a notice in writing to the Issuer, each Authorised Participant and the Lead Authorised Participant notifying them of the occurrence of such Bid Price Request Event (a **"Bid Price Request Notice"**). If the Securityholder delivers a Bid Price Request Notice to such persons and none of the Lead Authorised Participant or any of the Authorised Participants provides a firm bid price to the relevant Securityholder on any of the 20 consecutive Non-Disrupted Scheduled Valuation Days from (and including) the date of the relevant Bid Price Request Notice (such 20th Non-Disrupted Scheduled Valuation Day, the **"Bid Price Request Period End Date"**), an **"AP Bid Price Event"** shall be deemed to have occurred on such Bid Price Request Period End Date and such Securityholder may give notice thereof to the Issuer and the Lead Authorised Participant. Upon receipt of any such notice by the Issuer, and provided that any such notice is accompanied by evidence to the satisfaction of the Issuer that an AP Bid Price Event has so occurred, the Issuer shall, once satisfied of the occurrence of such AP Bid Price Event (for which purposes the Issuer may consult with the Lead Authorised Participant and the Authorised Participants), give notice to the Transaction Parties and the Securityholders in accordance with Condition 19 that the ETC Securities are to be redeemed prior to their Scheduled Maturity Date (an **"AP Redemption Event Notice"**) and, for the purposes of Condition 8(b), an Early Redemption Event in the form of an **"AP Redemption Event"** will occur on the fourth Scheduled Valuation Day following the date of such AP Redemption Event Notice;
- (x) if a Swap Counterparty Event of Default occurs and is continuing, and the Trustee is notified in writing of such Swap Counterparty Event of Default and directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding (determined on an outstanding (actual) basis) to give a notice under this Condition 8(d)(x), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a **"Swap Counterparty Default Redemption Notice"**) to the Issuer and each of the Transaction Parties. For the purposes of Condition 8(b) an Early Redemption Event in the form of an **"ETC Securities Swap Redemption Event"** will occur on the fourth Scheduled Valuation Day following the date of the Swap Counterparty Default Redemption Notice. Any direction given to the Trustee pursuant to this Condition 8(d)(x) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and the Trustee. The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Swap Counterparty Event of Default has occurred or exists and, unless and until the Trustee receives notice from the requisite number of Securityholders and is directed in each case as aforementioned, the Trustee shall be entitled to assume that no such event has occurred; or
- (xi) if the Issuer becomes entitled to designate a Swap Early Termination Date following a Swap Agreement Tax Event, and the Trustee is notified in writing of such entitlement and directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding (determined on an outstanding (actual) basis) to give a notice under this Condition 8(d)(xi), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a **"Tax Event Redemption Notice"**) to the Issuer and each of the Transaction Parties. For the purposes of Condition 8(b), an Early Redemption Event in the form of a **"Tax Event Redemption Event"** will occur on the fourth Scheduled Valuation Day after the date of the Tax Event Redemption

Notice. Any direction given to the Trustee pursuant to this Condition 8(d)(xi) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and the Trustee. The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Swap Agreement Tax Event has occurred or exists and, unless and until the Trustee receives notice from Securityholders and is directed in each case as aforementioned, the Trustee shall be entitled to assume that no such event has occurred.

(e) **Purchases**

The Issuer may (without the consent of the Trustee or any Securityholder), from time to time, buy back all or some of the ETC Securities. Only an Authorised Participant may request that the Issuer buy back ETC Securities by delivering a valid Buy-Back Order subject to and in accordance with the terms of the Authorised Participant Agreement. The Issuer will only accept a Buy-Back Order and buy back ETC Securities if a valid Buy-Back Order is given by an Authorised Participant and all conditions precedent to a purchase of the ETC Securities are satisfied. The Issuer shall have no obligation to purchase ETC Securities and no obligation to accept any Buy-Back Orders from (but excluding) the 15th Scheduled Valuation Day preceding the Scheduled Maturity Date.

In accordance with the terms of the Authorised Participant Agreement the Issuer will not be obliged to accept any Buy-Back Order and/or buy back ETC Securities if an Early Redemption Event has occurred and/or a Swap Early Termination Date has been designated or occurred under the Swap Agreement, and/or a Determination Agent Bankruptcy Event Notice, Index Cancellation No Successor Notice, Agent Redemption Event Notice, Publication Event Redemption Notice, Value per ETC Security Threshold Level Notice, AP Redemption Event Notice, Swap Counterparty Default Redemption Notice or Tax Event Redemption Notice has been delivered. If an Issuer Call Redemption Notice is delivered the last day on which the Issuer is required to accept a valid Buy-Back Order shall be the 4th Scheduled Valuation Day preceding the related Early Redemption Valuation Date designated in such notice. If an Issuer Redemption Notice is delivered by the Issuer the last day on which the Issuer is required to accept a valid Buy-Back Order shall be the 4th Scheduled Valuation Day preceding the related Early Redemption Valuation Date designated in such notice. If the Swap Counterparty elects for the Swap Transaction to terminate on the last day of its scheduled term and such date falls before the Scheduled Maturity Date of the ETC Securities the last day on which the Issuer is required to accept a valid Buy-Back Order shall be the 4th Scheduled Valuation Day preceding the scheduled termination date of the Swap Transaction. If a Swap Early Termination Date is designated or occurs under the Swap Agreement (other than in connection with a Swap Optional Termination Exercise Notice), the last day on which the Issuer is required to accept a valid Buy-Back Order shall be the earlier of the date of the notice (if any) designating the Swap Early Termination Date or the Swap Early Termination Date, as applicable. If a Swap Optional Termination Exercise Notice is delivered by the Swap Counterparty, the last day on which the Issuer is required to accept a valid Buy-Back Order shall be the 4th Scheduled Valuation Day preceding the Swap Early Termination Date designated in such notice. If an Index Cancellation No Successor Notice, an Agent Redemption Event Notice, a Publication Event Redemption Notice, a Value per ETC Security Threshold Level Notice, an AP Redemption Event Notice, an ETC Securities Swap Redemption Event Notice or a Tax Event Redemption Notice is delivered, the last day on which the Issuer is required to accept a valid Buy-Back Order shall be the date of such notice.

If a Determination Agent Bankruptcy Event Notice is given by the Issuer or the Programme Swap Counterparty, the Issuer shall not be obliged to accept any Buy-Back Orders until such time as a replacement Determination Agent is appointed in accordance with the Determination Agent

Agreement or the Programme Swap Counterparty is making the requisite determinations and calculations in place of the Determination Agent pursuant to Condition 12(d).

ETC Securities purchased by the Issuer from an Authorised Participant will be purchased on such terms as may be agreed between the Issuer and the Authorised Participant on a delivery versus payment basis. All ETC Securities purchased by or on behalf of the Issuer shall be cancelled. Any ETC Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such ETC Securities shall be discharged. In accordance with the Security Deed, the Trustee will and will be deemed to release without the need for any notice or other formalities from such Security the relevant portion of the Secured Property relating to the ETC Securities so purchased and cancelled.

[If Bearer Securities, text will apply or be inserted – All ETC Securities purchased by or on behalf of the Issuer shall be surrendered for cancellation by surrendering each such ETC Security to or to the order of the Issuing and Paying Agent and shall, together with all ETC Securities redeemed by the Issuer, be cancelled forthwith.]

*[If Bearer Securities in CGN form, text will apply or be inserted – Cancellation of any ETC Security represented by a Global Security that is required by these Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the number of ETC Securities represented by the Global Security representing such ETC Security on its presentation to or to the order of the Issuing and Paying Agent for endorsement, whereupon the number of ETC Securities represented by such Global Security will be reduced for all purposes by the number of ETC Securities so cancelled and endorsed.]/[If Bearer Securities in NGN form, text will apply or be inserted – On cancellation of any ETC Security represented by a Global Security that is required by these Conditions to be cancelled (other than upon its redemption), the Issuer will procure that details of such cancellation will be entered *pro rata* in the records of the Relevant Clearing System and, upon any such entry being made, the number of ETC Securities recorded in the records of the Relevant Clearing System and by the Global Security will be reduced by the aggregate number of the ETC Securities so cancelled.]*

In relation to any Buy-Back Order which has been accepted by or on behalf of the Issuer but in respect of which the Buy-Back Settlement Date has not yet occurred as at the date of the occurrence of an Early Redemption Event in connection with a Swap Counterparty Bankruptcy Event or Swap Counterparty Termination Event each such Buy-Back Order shall automatically be cancelled with effect from the date of the occurrence of such Early Redemption Event.

If at any time after the occurrence of a Buy-Back Settlement Date in respect of which the relevant Authorised Participant has not delivered the relevant ETC Securities under the Authorised Participant Agreement an Early Redemption Event occurs or the Final Redemption Valuation Date occurs, the Buy-Back Order shall automatically be cancelled with effect from the date of the occurrence of such Early Redemption Event or the Final Redemption Valuation Date, as applicable.

9 Disruption Events, Adjustments and Postponement

(a) Disruption Events

Under the terms of the Swap Agreement, the Swap Counterparty may, with respect to any Scheduled Valuation Day (but is not obliged to), determine that one or more of the following events has occurred or exists (each such event a “**Disruption Event**”):

- (i) the Index Sponsor fails to calculate and announce the Closing Index Level of the Index (an “**Index Disruption**”);

- (ii) the Index Sponsor permanently cancels the Index (an “**Index Cancellation Disruption Event**”);
- (iii) the material suspension of, or a material limitation imposed on, trading in any commodity or commodity futures contract comprising the Index, as applicable (each such commodity or commodity futures contract being a “**Component**”), on any exchange or other trading facility. For these purposes, a suspension of the trading in the relevant Component on any Scheduled Valuation Day shall be deemed to be material only if (I) all trading in the relevant Component is suspended for that entire Scheduled Valuation Day; or (II) all trading in the relevant Component is suspended subsequent to the opening of trading on the Scheduled Valuation Day, trading does not recommence prior to the regularly scheduled close of trading in such Component on such Scheduled Valuation Day, and such suspension is announced less than one hour preceding its commencement. A limitation of trading in the relevant Component on any Scheduled Valuation Day shall be deemed to be material only if the relevant exchange or trading facility for transactions relating to the Component of the Index as determined by the Swap Counterparty (the “**Relevant Trading Facility**”) establishes limits on the range within which the price of the relevant Component may fluctuate and the closing or settlement price of the relevant Component on such day is at the upper or lower limit of that range (a “**Trading Disruption**”);
- (iv) the Relevant Trading Facility in respect of a Component of the Index is not open for trading for any reason (including a scheduled closure) (a “**Non-Trading Day Disruption**”);
- (v) the reference price used by the Swap Counterparty for transactions relating to any Component of the Index (the “**Component Commodity Reference Price**”) for a Scheduled Valuation Day has increased or decreased from the immediately preceding Scheduled Valuation Day’s Component Commodity Reference Price by the maximum amount permitted by the Relevant Trading Facility during the closing range (irrespective of whether transactions in the Component are settled by such Relevant Trading Facility at the “limit price” or another price) (a “**Limit Price Event**”);
- (vi) the permanent discontinuation of trading in any Component of the Index on the Relevant Trading Facility; the disappearance of, or of trading in, any Component of the Index; or the disappearance or permanent discontinuance or unavailability of the relevant Component Commodity Reference Price, notwithstanding the availability of the publication (or such other origin of reference, including an exchange or reference dealers) containing (or reporting) the relevant Component Commodity Reference Price (or prices from which the relevant Component Commodity Reference Price is calculated) as determined by the Swap Counterparty (a “**Price Source**” for the relevant Component) or the status of trading in the relevant Component (a “**Disappearance of Component Commodity Reference Price**”); or
- (vii) any event in connection with which the Swap Counterparty or any of its Affiliates is (or would be) (A) unable, after using commercially reasonable efforts to: (I) hold, acquire or dispose of any Component of the Index; (II) enter into, maintain, re-establish or unwind any hedging arrangement entered into by (or on behalf of) the Swap Counterparty in connection with the Swap Agreement and/or any Credit Support Document relating thereto; and/or (III) realise, recover or remit the proceeds of any Component of the Index and/or hedging arrangement entered into by (or on behalf of) the Swap Counterparty in connection with the Swap Agreement and/or any Credit Support Document relating thereto, or (B) required pursuant to a ruling, direction or other instruction of (I) any applicable government, governmental or regulatory body or other relevant institution (including, without limitation, the Commodity Futures Trading Commission, any Commodity Regulatory Body or any

Relevant Trading Facility) or (II) the board or internal management of the Swap Counterparty or any relevant Affiliate thereof to unwind or transfer to another entity all or part of any hedging arrangement entered into by (or on behalf of) the Swap Counterparty in connection with the Swap Agreement and/or any Credit Support Document relating thereto (a “**Hedging Disruption Event**”).

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

- (i) If the Swap Counterparty determines that a Disruption Event has occurred or exists with respect to any Scheduled Valuation Day, the Swap Counterparty may (but is not obliged to) give notice of its determination to the Issuer (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) no later than 11:00 London time on the immediately following Scheduled Valuation Day (such notice a “**Disruption Event Notice**”). The Swap Counterparty is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to any Scheduled Valuation Day and shall have no liability to the Issuer, any Securityholder or any other person for any determination or non-determination that it makes under the Swap Agreement. The Issuer shall, as soon as reasonably practicable after receipt by it of a Disruption Event Notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.
- (ii) If a Disruption Event Notice relating to a Scheduled Valuation Day (including, without limitation, the Final Redemption Valuation Date or Early Redemption Valuation Date and any other Observation Date) is delivered by the Swap Counterparty, then:
 - (A) the calculation and publication of the Value per ETC Security in respect of such Scheduled Valuation Day shall be postponed in accordance with Condition 9(d); and
 - (B) subject to Condition 5(b)(iv), the Value per ETC Security in respect of such Scheduled Valuation Day (other than the Final Redemption Valuation Date, the Early Redemption Valuation Date or any other Observation Date) shall be determined using the Closing Index Level determined in respect of such Scheduled Valuation Day by the Swap Calculation Agent under the Swap Agreement, notwithstanding that an official closing level for the Index may be published by the Index Sponsor for such Scheduled Valuation Day. The Closing Index Level determined by the Swap Calculation Agent under the Swap Agreement in respect of such Scheduled Valuation Day will be notified to the Issuer and each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) pursuant to the terms of the Swap Agreement. If the Swap Calculation Agent does not notify the Determination Agent of its determination of the Closing Index Level for the relevant Scheduled Valuation Day in respect of which a Disruption Event Notice was given by 11:00 London time on the 11th Scheduled Valuation Day following such Scheduled Valuation Day, the Closing Index Level for the Index and such Scheduled Valuation Day shall be deemed to be the official closing level of the Index published in respect of such Scheduled Valuation Day by the Index Sponsor (or if no official closing level was so published, the last official closing level of the Index published in respect of a Scheduled Valuation Day preceding the Scheduled Valuation Day in respect of which a Disruption Event Notice was given). The Determination Agent shall determine the Value per ETC Security for the Scheduled Valuation Day in respect of which the Disruption Event Notice was given using such level by no later than 14:00 London time on the 11th Scheduled Valuation Day following the Scheduled Valuation Day in respect of which a Disruption Event Notice was given and promptly give notice of its determination to the Issuer (such notice to be copied to each

Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)). The Issuer shall publish the Value per ETC Security so notified to it by no later than 16:00 London time on the 11th Scheduled Valuation Day following the Scheduled Valuation Day in respect of which a Disruption Event Notice was given; and

- (C) if such Scheduled Valuation Day is an Observation Date, then the Closing Index Level in respect of such Scheduled Valuation Day which shall be used in the determination of the Average Closing Index Level and the Value per ETC Security in respect of the Final Redemption Valuation Date or, if applicable, Early Redemption Valuation Date shall, subject to Condition 5(b)(iv), be determined by the Swap Calculation Agent under the Swap Agreement, notwithstanding that an official closing level for the Index may be published by the Index Sponsor for such Scheduled Valuation Day. The Closing Index Level determined by the Swap Calculation Agent under the Swap Agreement in respect of such Observation Date will be notified to the Issuer and each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) pursuant to the terms of the Swap Agreement. If the Swap Calculation Agent does not notify the Determination Agent of its determination of the Closing Index Level for the relevant Observation Date in respect of which a Disruption Event Notice was given by 11:00 London time on the Scheduled Valuation Day immediately following the last day of the Closing Index Valuation Period, then the Closing Index Level for the Index and such Observation Date shall be deemed to be the official closing level of the Index published in respect of such Observation Date by the Index Sponsor (or if no official closing level was so published, the last official closing level of the Index published prior to the relevant Observation Date). The Determination Agent shall determine the Value per ETC Security in respect of the Final Redemption Valuation Date or, if applicable, the Early Redemption Valuation Date by no later than 14:00 London time on the Scheduled Valuation Day immediately following the last day of the Closing Index Valuation Period and promptly give notice of its determination to the Issuer (such notice to be copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)). The Issuer shall publish the Value per ETC Security so notified to it by no later than 16:00 London time on the Scheduled Valuation Day immediately following the last day of the Closing Index Valuation Period.
- (iii) The Swap Calculation Agent will, in respect of each Scheduled Valuation Day in respect of which a Disruption Event Notice is delivered, determine the Closing Index Level in respect of such Scheduled Valuation Day in accordance with the formula for and method of calculating the Index last in effect save that:
 - (A) in respect of each Component of the Index which is not affected by the Disruption Event such that the relevant Component Commodity Reference Price for such Scheduled Valuation Day and such Component (the “**Relevant Component Price**”) is, in the opinion of the Swap Calculation Agent, a tradable price, the Closing Index Level will be calculated using such Relevant Component Prices; and
 - (B) in respect of each Component of the Index affected by the Disruption Event such that the Relevant Component Price is not, in the opinion of the Swap Counterparty, a tradable price, the Closing Index Level will be calculated using the Relevant Component Price for such Component in respect of the first immediately following Scheduled Valuation Day on which a Disruption Event in respect of such Component

ceases to exist, unless such a Disruption Event continues to exist (measured from and including the original Scheduled Valuation Day in respect of which the Closing Index Level was to be calculated) for ten consecutive Scheduled Valuation Days, then the Swap Calculation Agent will determine the Relevant Component Price in respect of such Component on the eleventh Scheduled Valuation Day notwithstanding that a Disruption Event may or may not exist with respect to such Component on such eleventh Scheduled Valuation Day, taking into consideration the latest available quotation for the relevant Component Commodity Reference Price and any other information that it in good faith deems relevant, provided that if the Scheduled Valuation Day in respect of which the Disruption Event Notice was delivered is an Observation Date and such eleventh (11th) Scheduled Valuation Day would fall after the last day of the Closing Index Valuation Period, then the Swap Calculation Agent will determine the Relevant Component Price in respect of such Component and such Observation Date as equal to the Relevant Component Price determined by the Swap Calculation Agent in respect of the last day of the Closing Index Valuation Period, notwithstanding that a Disruption Event may or may not exist with respect to such Component on such day, taking into consideration the latest available quotation for the relevant Component Commodity Reference Price and any other information that it in good faith deems relevant.

The Swap Calculation Agent will notify the Issuer and the Determination Agent (such notice to be copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) of its determination of the Closing Index Level for the Scheduled Valuation Day in respect of which a Disruption Event was given by 11:00 London time on the Scheduled Valuation Day immediately following the date on which it makes such determination and in any event by no later than (i) 11:00 London time on the 11th Scheduled Valuation Day following the Scheduled Valuation Day in respect of which a Disruption Event Notice was given or (ii) if the Scheduled Valuation Day in respect of which the Disruption Event Notice was delivered is an Observation Date, 11:00 London time on the Scheduled Valuation Day immediately following the last day of the Closing Index Valuation Period.

(c) ***Postponement of Settlement of Subscriptions and Buy-Backs***

If a Disruption Event Notice relating to a Subscription Trade Date or a Buy-Back Trade Date, as applicable, is delivered by the Swap Counterparty in respect of the relevant Subscription Trade Date or Buy-Back Trade Date, as applicable, then settlement of the related subscription or buy-back, as applicable, shall be postponed until the second Scheduled Valuation Day after the earlier of (i) the date of the notice from the Swap Calculation Agent of its determination of the Closing Index Level in respect of such Subscription Trade Date or a Buy-Back Trade Date, as applicable and (ii) the 11th Scheduled Valuation Day following the Scheduled Valuation Day in respect of which a Disruption Event Notice was given. No additional amount shall be payable to any Authorised Participant (or any Securityholder acquiring ETC Securities from, or selling ETC Securities to, an Authorised Participant) in connection with the postponement of the settlement of any subscription or buy-back, as applicable.

(d) ***Postponement of Determination of Value per ETC Security***

If a Disruption Event Notice relating to a Scheduled Valuation Day (other than any Observation Date) is delivered by the Swap Counterparty in respect of any Scheduled Valuation Day, then calculation and publication of the Value per ETC Security in respect of such Scheduled Valuation Day shall be postponed until the Scheduled Valuation Day following the earlier of (i) the date of the notice from the Swap Calculation Agent of its determination of the Closing Index Level in

respect of such Scheduled Valuation Day and (ii) the 11th Scheduled Valuation Day following the Scheduled Valuation Day in respect of which a Disruption Event Notice was given.

(e) **Adjustments**

- (i) Under the terms of the Swap Agreement, if the Swap Counterparty determines that an Adjustment Event (as defined below) has occurred or exists with respect to any Scheduled Valuation Day, the Swap Counterparty may (but is not obliged to) no later than 11:00 London time on the immediately following Scheduled Valuation Day give a notice in writing to the Issuer and the Swap Calculation Agent (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) stating that, in the opinion of the Swap Counterparty, an Adjustment Event has occurred or exists on the Scheduled Valuation Day specified in such notice (such notice an “**Adjustment Event Notice**”). The Swap Counterparty is not under any obligation to monitor whether or not an Adjustment Event has occurred or is continuing with respect to any Scheduled Valuation Day and shall have no liability to the Issuer, the Securityholders or any other person for any determination or non-determination that it makes under the Swap Agreement.
- (ii) Each of the following events is an “**Adjustment Event**”:
 - (A) the Index Sponsor cancels the Index and a Successor Index is identified as described in Condition 10;
 - (B) the Index Sponsor announces that it will make a material change in the formula for, or the method of, calculating such Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent Components and other routine events); and
 - (C) a Disruption Event.
- (iii) If the Swap Counterparty delivers an Adjustment Event Notice to the Issuer and the Swap Calculation Agent in respect of any Scheduled Valuation Day, the Swap Calculation Agent will pursuant to the terms of the Swap Agreement, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner (i) whether in its opinion it is appropriate to make one or more adjustments to any of the terms of the Swap Agreement and any of the terms of the Conditions of the ETC Securities to account for the economic effect on the Swap Transaction and the ETC Securities of the relevant Adjustment Event and (ii) the nature and effective date of such adjustment(s). Under the terms of the Swap Agreement, the Swap Calculation Agent will notify the Swap Counterparty and the Issuer as soon as reasonably practicable following its determination that any adjustment to the terms of the Swap Agreement and any of the terms of the Conditions of the ETC Securities is or is not required (such notice an “**Adjustment Terms Notice**”). The Swap Calculation Agent will send a copy of each Adjustment Terms Notice to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) at the same time as it delivers such notice to the Issuer. The Issuer shall as soon as reasonably practicable following the receipt of any such Adjustment Terms Notice in which it is specified that an adjustment to the terms of the Swap Agreement or any of the terms of the Conditions is required, give notice of the relevant adjustment(s) and the effective date thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant. With effect from the effective date of any such adjustment, the Issuer and the Transaction Parties shall take into account the relevant adjustment(s) so notified to it when making any determination and/or calculation it is required to make under the Conditions and the terms of the relevant

Transaction Documents, as appropriate, and the Conditions of the ETC Securities and the terms of the Transaction Documents shall be construed accordingly. Neither the consent of the Trustee nor the consent of the Securityholders will be required for any such adjustment to the Conditions of the ETC Securities, provided that no such adjustment or amendment may be made which would, in the Trustee's opinion, impose more onerous obligations on the Trustee without its consent. The Swap Calculation Agent is not under any obligation to monitor whether or not an Adjustment Event has occurred or is continuing with respect to any Scheduled Valuation Day or to take into account the interests of the Issuer or any Securityholder when determining whether any adjustment to the terms of the Swap Transaction and/or the ETC Securities is appropriate and the nature and effective date of any such adjustment and shall have no liability to the Issuer, the Securityholders or any other person for any determination or non-determination that it makes under the Swap Agreement.

10 Successor Index

Pursuant to the terms of the Swap Agreement, if on any Scheduled Valuation Day the Swap Calculation Agent determines that (i) the Index has not been calculated and announced by the Index Sponsor but has been calculated and announced by a successor sponsor acceptable to the Swap Calculation Agent or (ii) that the Index has been replaced by a successor index using, in the determination of the Swap Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Swap Calculation Agent will notify the Issuer and the Swap Counterparty of such determination (each such notice will be copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) and, with effect from the first Scheduled Valuation Day following date of such notice, such successor index or index calculated and announced by the successor sponsor (the "**Successor Index**") shall be deemed to be the Index for the purposes of the ETC Securities and the Swap Transaction. The Issuer shall notify the Securityholders in accordance with Condition 19 and the Authorised Participant(s) and the Lead Authorised Participant as soon as reasonably practicable after receipt of any such notice from the Swap Calculation Agent of the replacement of the Index with a Successor Index.

11 Swap Agreement, Swap Transaction and Credit Support Deed

(a) ***Swap Agreement, Swap Transaction and Credit Support Deed***

In connection with the issue of the ETC Securities, the Issuer will on the Series Issue Date enter into the Swap Agreement and the Credit Support Deed with the Swap Counterparty. In connection with the issue of any additional Tranche of ETC Securities issued after the Series Issue Date, the Issuer will, subject to the consent of the Swap Counterparty, increase the economic exposure under the Swap Transaction by a *pro rata* amount.

(b) ***Transfer of Swap Agreement and Swap Transaction and/or Credit Support Deed***

At any time prior to the occurrence of a Swap Counterparty Event of Default or a Swap Counterparty Termination Event, the Swap Counterparty may (subject to the consent of the Programme Swap Counterparty) novate, assign or otherwise transfer the Swap Agreement and the Swap Transaction thereunder and/or the Credit Support Deed to a single Eligible Counterparty, provided that (i) the Swap Counterparty and such Eligible Counterparty enter into arrangements satisfactory to the Issuer in accordance with the Swap Agreement and/or the Credit Support Deed and any other arrangements required by the Issuer (including, without limitation, the provision of such legal opinion as the Issuer may require), (ii) the Posted Collateral following such transfer is of the same type of Eligible Collateral as comprised the Posted Collateral prior to the transfer, (iii) following such transfer the Swap Agreement and/or Credit Support Deed, as

applicable, are subject to the Security on the same terms *mutatis mutandis* as prior to such transfer and shall form part of the Secured Property, as applicable and (iv) not less than 60 calendar days' prior notice of any such transfer is given to Securityholders in accordance with Condition 19. The Security to the extent that it relates to the Swap Agreement and/or Credit Support Deed, as applicable, shall be released in connection with any such transfer.

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

As at the Series Issue Date, the Swap Transaction has a scheduled term of [*To be specified in Final Terms – ●*] (the “**Initial Swap Term**”). No later than 90 calendar days prior to the last day of the Initial Swap Term or Extended Swap Term (as defined below), as applicable, pursuant to the terms of the Swap Agreement the Swap Counterparty will elect (i) to extend the term of the Swap Transaction for a period of its choosing but being a period of not less than one calendar year and not more than the period remaining to the Scheduled Maturity Date (such period the “**Extended Swap Term**”) or (ii) for the Swap Transaction to terminate at the end of the Initial Swap Term or Extended Swap Term, as applicable. If the Swap Counterparty does not elect to extend the term of the Swap Transaction, a Scheduled Swap Redemption Event will occur and the ETC Securities will be redeemed in accordance with Condition 8(d)(iii). Under the terms of the Swap Agreement, the Swap Counterparty will notify the Issuer and each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) of each such election. The Issuer shall, as soon as reasonably practicable after receipt of the notice of election from the Swap Counterparty, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

(d) **Substitution of Posted Collateral**

(i) As at the Series Issue Date, the Eligible Collateral transferred by the Swap Counterparty to the Issuer under the Credit Support Deed is [*To be specified in Final Terms – ●*]. Pursuant to the terms of the Credit Support Deed, if the Eligible Collateral comprising the Posted Collateral comprises Gold, the Swap Counterparty may, on giving the Issuer not less than 90 calendar days' prior notice (such notice a “**Posted Collateral Substitution Notice**”), transfer to the Issuer Eligible Collateral in the form of Eligible Financial Instruments (the “**Substitute Credit Support**”) in substitution in full for the Gold (the “**Original Credit Support**”) comprised in the Issuer's Posted Collateral, provided that the Swap Counterparty may only give a Posted Collateral Substitution Notice if as at the date of such notice one of the following events has occurred:

- (A) the Swap Counterparty is not able to acquire or transfer Gold on the standard bullion markets in London for reasons affecting market participants generally and/or reasons which are not related solely to the creditworthiness of the Swap Counterparty;
- (B) in connection with a ruling, direction or other instruction of any applicable government, governmental or regulatory body or other relevant institution (including, without limitation, the Commodity Futures Trading Commission, any Commodity Regulatory Body or any Relevant Trading Facility) the Swap Counterparty is not permitted or otherwise able to acquire Gold in the standard bullion markets and/or transfer Gold to the Issuer and/or it becomes impracticable for the Swap Counterparty to acquire Gold in the standard bullion markets and/or to transfer Gold to the Issuer in any substantial size (including in connection with any action taken by the board or internal management of the Swap Counterparty pursuant to any such ruling, direction or instruction); and/or
- (C) the Lease Rate is greater than 0.5 per cent. for 20 consecutive Non-Disrupted Scheduled Valuation Days. For this purpose, the definition of “Lease Rate”, “LIBOR

Rate” and “GOFO” shall be the same as in Condition 5 save that such rates will be determined on each Scheduled Valuation Day (and not each Fee Calculation Reset Day) and with each component being determined by the Swap Counterparty (and not the Determination Agent or Programme Swap Counterparty, as applicable). No publication on any website maintained for or on behalf of the Issuer of the Lease Rate calculated in such manner shall be required.

For the avoidance of doubt, the Posted Collateral at any time may only comprise Gold or Eligible Financial Instruments and may not comprise a mixture thereof. The Swap Counterparty will give a copy of each Posted Collateral Substitution Notice to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) at the same time that it delivers any such notice to the Issuer. The Issuer shall, as soon as reasonably practicable after receipt of any Posted Collateral Substitution Notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant. The Issuer and the Swap Counterparty have agreed in the Credit Support Deed that Securityholders shall be given not less than 30 calendar days’ prior notice of any such substitution.

- (ii) Under the terms of the Credit Support Deed, any Posted Collateral Substitution Notice must be given within 60 calendar days of the date the relevant event described in Condition 11(d)(i) first occurred as determined by the Swap Counterparty and any related substitution may only take effect on a Fee Calculation Reset Day.
- (iii) If, at any time the Swap Counterparty wishes to substitute Posted Collateral comprising Eligible Financial Instruments in full for Gold, the Swap Counterparty may give a Posted Collateral Substitution Notice in relation thereto to the Issuer (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) and effect such substitution provided that (A) the Posted Collateral is substituted in full, (B) the substitution takes effect on a Fee Calculation Reset Day and (C) the Swap Counterparty gives the Issuer (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) not less than 90 calendar days’ prior notice of such substitution. The Issuer shall, as soon as reasonably practicable after receipt of any Posted Collateral Substitution Notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant. The Issuer and the Swap Counterparty have agreed in the Credit Support Deed that Securityholders shall be given not less than 30 calendar days’ prior notice of any such substitution.
- (iv) From the date of any substitution back to Gold, the provisions of Condition 11(d)(i) shall apply equally as if there had never been any prior Posted Collateral Substitution Notice. Subject to compliance with these provisions, there is no limit on the number of times that the Swap Counterparty can switch between Gold and Eligible Financial Instruments.

12 Payments, Calculations, Agents and Records

(a) *Payments Net of Taxes*

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

(b) **Payments**

[If Bearer Securities, text will apply or be inserted –

- (i) Payments of Principal in respect of Definitive Securities shall, subject to Condition 12(c), be made against presentation and surrender of the relevant ETC Securities at the specified office of any Paying Agent outside the United States, by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to, an account denominated in such currency with a Bank. “**Bank**” means a bank in *[If the ETC Securities are denominated in a currency other than euro, text will apply or be inserted – [principal financial centre for the relevant currency to be specified in Final Terms]]**[If the ETC Securities are denominated in EUR, text will apply or be inserted – a city in which banks in general have access to the TARGET System.]*
- (ii) For as long as the ETC Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a common depository, common safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments in respect of the ETC Securities will be discharged by payment to, or to the order of, the holder of the Global Security, subject to and in accordance with the terms of such Global Security. Each of the persons shown in the records of the Relevant Clearing System as owning ETC Securities represented by such Global Security must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to or to the order of the holder of the Global Security. Payments made to any person shown in the records of the Relevant Clearing System as owning any ETC Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.]

[If Uncertificated Registered Securities, text will apply or be inserted –

The Issuer or the Issuing and Paying Agent on behalf of the Issuer shall pay or cause to be paid all payments under the Conditions in respect of the ETC Securities to the relevant Securityholder's cash memorandum account (as shown in the records of the Registrar at the close of business on, for so long as the Uncertificated Registered Securities are held in a Clearing System, the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January) for value on the relevant payment date, such payment to be made subject to and in accordance with the rules and procedures of the Registrar and/or the Relevant Clearing System, as applicable. Each of the persons shown in the Register as owning ETC Securities must look solely to the settlement bank or institution at which its cash memorandum account is held for each such payment so made by or on behalf of the Issuer.

If the Uncertificated Registered Securities are not held in a Clearing System, payments on each Uncertificated Registered Security shall be made in the relevant currency by cheque drawn on a Bank on the relevant payment date and mailed to the holder (or to the first named of joint holders) of such Uncertificated Registered Security at its address appearing in the Register at the close of business on the General Business Day in Jersey immediately prior to such relevant payment date. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the relevant date for payment subject to and in accordance with the rules and procedures of the Registrar, such payment may be made by transfer to an account in the relevant currency maintained by the payee with a Bank). “**Bank**” means a bank in *[If the ETC Securities are denominated in a currency other than euro, text will apply or be inserted – principal financial centre for the relevant currency to be specified in Final Terms]]**[If the ETC Securities are*

denominated in EUR, text will apply or be inserted – a city in which banks in general have access to the TARGET System.]]]

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

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

(d) **Calculations and Determinations**

- (i) The Determination Agent shall, as soon as practicable on such date and/or at such time as the Determination Agent is required in accordance with the Determination Agent Agreement and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.
- (ii) If (I) the appointment of the Determination Agent is terminated in connection with a Determination Agent Bankruptcy Event or (II) the Determination Agent resigns or its appointment is terminated and the Determination Agent fails to perform its duties and obligations under the Determination Agent Agreement in the period prior to the effective date of such resignation or termination, the Issuer shall as soon as reasonably practicable after becoming aware of the foregoing notify the Programme Swap Counterparty thereof. As soon as reasonably practicable after receipt of such notice (taking into account the time required for the Programme Swap Counterparty to put in place the relevant systems and procedures), the Programme Swap Counterparty has agreed in the Determination Agent Agreement to act as agent of the Issuer (or, if the Trustee so requests following the occurrence of an Event of Default or Potential Event of Default or after the Security has become enforceable, as agent for the Trustee) on a temporary basis, provided if the Programme Swap Counterparty is also the Swap Counterparty that no Swap Counterparty Event of Default or Swap Counterparty Termination Event has occurred or is continuing with respect to the Programme Swap Counterparty or if the Programme Swap Counterparty is not the Swap Counterparty that no Programme Swap Counterparty Bankruptcy Event has occurred, until such time as a replacement Determination Agent is appointed in accordance with the terms of the Determination Agent Agreement, and will make the determinations and calculations which the Determination Agent is required to make pursuant to the Determination Agent Agreement, the Conditions and the other Relevant Provisions and the Conditions and any relevant Transaction Documents shall be construed accordingly. In doing so, the Programme Swap Counterparty shall apply the provisions of the Determination Agent Agreement and the Conditions and the other Relevant Provisions, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances.
- (iii) Under the Determination Agent Agreement, the Programme Swap Counterparty has agreed to give notice of the occurrence of a Determination Agent Bankruptcy Event to the Issuer and each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) as soon as reasonably practicable after it becomes aware of the occurrence of such event. The Issuer shall give notice of the occurrence of a Determination Agent Bankruptcy Event to each Transaction Party and to the Securityholders in accordance with Condition 19 as soon as reasonably practicable after it becomes aware of the occurrence of such event. Any notice of the occurrence of a Determination Agent Bankruptcy Event given by the Issuer or the Programme Swap Counterparty shall constitute a **“Determination Agent Bankruptcy Event Notice”**.

- (iv) Under the Determination Agent Agreement, the Issuer has authorised the Programme Swap Counterparty in its capacity as the Issuer's agent to (A) vary the appointment of the Determination Agent on giving the Determination Agent at least 60 calendar days' prior notice to that effect (or such shorter notice period as the Issuer, the Programme Swap Counterparty and the Determination Agent may agree from time to time) provided that such variation is of an operational nature and which is, in the reasonable determination of the Programme Swap Counterparty, necessary to enable the Determination Agent to properly perform its duties and obligations under the Relevant Provisions. Any variation in the appointment of the Determination Agent will not be effective unless the Determination Agent has consented to such variation; and (B) to terminate the appointment of the Determination Agent in accordance with the Determination Agent Agreement.
- (v) Without prejudice to Condition 12(d)(v)(D), the Programme Swap Counterparty shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Transaction 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 Programme Swap Counterparty of its obligations under the Determination Agent Agreement, the Conditions or any other Transaction Document to which it is a party, provided that nothing shall relieve the Programme Swap Counterparty from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Programme Swap Counterparty (any such act or omission, a **"Programme Swap Counterparty Breach"**).
 - (A) If the Programme Swap Counterparty would, but for the operation of this Condition 12(d)(v)(A), be held liable for any Loss arising as the result of a Programme Swap Counterparty Breach, the Programme Swap Counterparty shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Swap Counterparty Breach results from the Programme Swap Counterparty complying with any specific instruction or express direction from any director of the Issuer (whether received in electronic form or otherwise).
 - (B) If the Programme Swap Counterparty would, but for the operation of this Condition 12(d)(v)(B), be held liable for any Loss arising as the result of a Programme Swap Counterparty Breach, the Programme Swap Counterparty shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Swap Counterparty Breach results solely and directly from either the failure by any other Transaction Party to provide any notice, instruction or direction which such Transaction Party is required or permitted to give under the Conditions or any relevant Transaction Document or a delay in the delivery by any other Transaction Party of any notice, instruction or direction which such Transaction Party is required or permitted to give to the Determination Agent and/or the Programme Swap Counterparty under the Conditions or any relevant Transaction Document.
 - (C) If the Programme Swap Counterparty would, but for the operation of this Condition 12(d)(v)(C), be held liable for any Loss arising as the result of a Programme Swap Counterparty Breach, the Programme Swap Counterparty shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Swap Counterparty Breach results solely and directly from the reliance by the Programme Swap Counterparty upon a rate, amount, quotation, value or other calculation or determination which is made by another Transaction Party in accordance with the Conditions and the terms of any relevant

Transaction Document and notified to the Programme Swap Counterparty pursuant to the Conditions and the relevant Transaction Document.

- (D) Notwithstanding anything to the contrary in the relevant Determination Agent Agreement, these Conditions or any other Transaction Document, the Programme Swap Counterparty shall not be liable to the Issuer, the Securityholders, any Transaction Party or any other person for any calculations, determinations (or any delay in making any calculation or determination), actions or omissions made by the Programme Swap Counterparty in connection with the performance of the duties and obligations of the Determination Agent pursuant to Condition 12(d)(ii) unless fraudulent or made in bad faith. Without prejudice to anything in this Condition 12(d)(v), the Programme Swap Counterparty shall have the benefit of the provisions of Condition 12(f) relating to the Determination Agent in respect of any calculations, determinations, actions or omissions made by the Programme Swap Counterparty in connection with the performance by the Programme Swap Counterparty of the duties and obligations of the Determination Agent pursuant to Condition 12(d)(ii).
- (vi) The determination by the Determination Agent or the Programme Swap Counterparty, as applicable, of any amount, rate, value or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Determination Agent under the Relevant Provisions in the case of the Determination Agent and under the Conditions, the Determination Agent Agreement and any other Transaction Documents to which it is a party in the case of the Programme Swap Counterparty are required under the terms of the Determination Agent Agreement to be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the Securityholders and the Transaction Parties.

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

If at any time after the Security has become enforceable pursuant to Condition 6(e) and (i) the Determination Agent does not make any determination or calculation relating to the Value per ETC Security, Final Redemption Amount or Early Redemption Amount when required pursuant to the Conditions and the Transaction Documents and/or (ii) the Programme Swap Counterparty has not made any determination or calculation relating thereto and/or (iii) if the Programme Swap Counterparty is also the Swap Counterparty a Swap Counterparty Event of Default or Swap Counterparty Termination Event has occurred and is continuing with respect to the Programme Swap Counterparty or if the Programme Swap Counterparty is not the Swap Counterparty a Programme Swap Counterparty Bankruptcy Event has occurred, then the Trustee may make any determination or calculation in place of the Determination Agent (or may appoint an agent on its behalf to do so) provided that the Trustee shall have been pre-funded and/or secured and/or indemnified to its satisfaction. Any such determination or calculation made by the Trustee shall for the purposes of the Conditions and the Transaction Documents be deemed to have been made by the Determination Agent. In doing so, the Trustee shall apply the provisions of the Conditions and/or the relevant Transaction Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. The Trustee shall not be liable to the Issuer, the Securityholders or any Transaction Party for any calculations and determinations (or any delay in making any calculation or determination) so made unless fraudulent or made in bad faith.

(f) **Determination Agent**

- (i) Subject as provided in the Conditions and the Determination Agent Agreement, 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 ETC Securities of this Series 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 administration and/or collateral management services of a similar type to those required of the Determination Agent under the Relevant Provisions or a leading bank or investment banking firm (acting through its principal London office or any other office actively involved in such market) engaged in the interbank market (or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market) that the Issuer reasonably determines is capable of making the calculation(s) and/or determination(s) required to be made by the Determination Agent under the Relevant Provisions to act as such in its place.
- (ii) The Determination Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Transaction 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 the Determination Agent Agreement, the 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"**).
 - (A) If the Determination Agent would, but for the operation of this Condition 12(f)(ii)(A), 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 Securityholder, any other Transaction Party or any other person if such Determination Agent Breach results from the Determination Agent complying with any specific instruction or express direction from any director of the Issuer (whether received in electronic form or otherwise).
 - (B) If the Determination Agent would, but for the operation of this Condition 12(f)(ii)(B), 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 Securityholder, any other Transaction Party or any other person if such Determination Agent Breach results solely and directly from either (i) the failure by any other Transaction Party to provide any notice, instruction or direction which such Transaction Party is required or permitted to give under the Conditions or any relevant Transaction Document or (ii) a delay in the delivery by any other Transaction Party of any notice, instruction or direction which such Transaction Party is required or permitted to give to the Determination Agent under the Conditions or any relevant Transaction Document.
 - (C) If the Determination Agent would, but for the operation of this Condition 12(f)(ii)(C), 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 Securityholder, any other Transaction 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 Conditions and/or any relevant Transaction

Document which is made by another Transaction Party in accordance with the Conditions and the terms of any relevant Transaction Document.

- (iii) The Determination Agent has no obligation towards or relationship of agency or trust with any Securityholder.
- (iv) The Determination Agent has no duties or responsibilities except those expressly set forth in the Conditions, the Determination Agent Agreement and the other Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the Determination Agent Agreement 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 Conditions, the Trust Deed or any other Transaction Document unless otherwise agreed pursuant to the Relevant Provisions.
- (v) The Determination Agent may consult, on any legal matter which it believes in good faith requires such consultation, any legal or other professional advisers reasonably selected by it, who may be employees of or advisers to the Issuer, and it will not be liable in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with the opinion of such adviser(s).
- (vi) The Determination Agent will not incur any liability to any person in acting upon any [*If the ETC Securities are Bearer Securities the following text will apply or be inserted* - ETC Security,] signature, or other document or information from any electronic or other source reasonably believed by it to be genuine and believed by it to have been signed or otherwise given or disseminated by the proper party or parties, in each case received by it in connection with the performance of its duties under the Determination Agent Agreement.
- (vii) The Determination Agent and the Programme Swap Counterparty, respectively, whether or not acting for themselves, may acquire, hold or dispose of any ETC Security or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person, and may act on, or as depositary, trustee or agent for, any committee or body of holders of securities of any such person, in each case with the same rights as it would have had if that Determination Agent or Programme Swap Counterparty, as applicable, were not a Determination Agent or the Programme Swap Counterparty, as applicable, under the Determination Agent Agreement and need not account for any profit.
- (viii) Save as otherwise provided in the Determination Agent Agreement and the other Relevant Provisions, the Determination Agent shall not be required to expend or risk its own funds or otherwise to incur any liability, financial or otherwise (other than such costs and expenditure contemplated by the Relevant Provisions and/or incurred in the ordinary performance of the Determination Agent's duties and obligations under the Determination Agent Agreement and any ordinary office expenses, remuneration of directors or employees or general operating costs of the Determination Agent (whether incurred in connection with the performance of its obligations under the Relevant Provisions or otherwise)) if it shall have reasonable grounds for believing that repayment of such funds or the provision of an indemnity satisfactory to it against such risk or liability is not assured to it.
- (ix) The Determination Agent is not bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document received by it from the Issuer or any other Transaction Party.

- (x) To the extent that the Determination Agent requires clarification of its duties pursuant to the Relevant Provisions, the Determination Agent is entitled to seek instructions from, and to rely entirely and act on the instructions received from, the Issuer and, without prejudice to the standard of care, limitation of liability and indemnity provisions in the Determination Agent Agreement, the Determination Agent will not be responsible for any action it takes in accordance with such instructions.
- (xi) If the Issuer expressly instructs the Determination Agent to take any action not contemplated by the Relevant Provisions, the Determination Agent will, without prejudice to the standard of care, limitation of liability and indemnity provisions in the Determination Agent Agreement, not be responsible for any action it takes on behalf of the Issuer in accordance with such instructions.
- (xii) The Determination Agent will have no responsibility or liability for any Loss resulting from its being unable to perform any functions or obligations under the Determination Agent Agreement if the same results from any law, regulation or requirement (whether or not having the force of law) of any central bank or governmental or other regulatory authority affecting it. Nothing in the Determination Agent Agreement or in any other Transaction Document may require the Determination Agent to take any action or refrain from taking any action if the same would be contrary to any applicable law, regulation or requirement of any central bank or government or other regulatory authority affecting it.

(g) **Custodian**

If the Custodian resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts (with the prior approval of the Programme Swap Counterparty and the Swap Counterparty) to appoint an Eligible Custodian to act as the Custodian in its place within 60 calendar days of the date of the notice of resignation or the notice of termination or the date the appointment was automatically terminated in accordance with the Custody Agreement. The Custodian may not resign its duties without a successor Eligible Custodian having been appointed as aforesaid.

(h) **Appointment of Agents**

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time with the prior written approval of the Trustee and in accordance with the provisions of the relevant Agency Agreement, the Determination Agent Agreement and/or the Custody Agreement, as applicable, to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, *[If Uncertificated Registered Securities, text will apply or be inserted – the Registrar, any Transfer Agent,]* the Custodian or the Determination Agent and to appoint additional or other Paying Agents or *[If Uncertificated Registered Securities, text will apply or be inserted – Registrar or Transfer Agents or]* the Custodian or the Determination Agent. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Transaction Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing and Paying Agent, *[If Uncertificated Registered Securities, text will apply or be inserted –* (ii) a Registrar, (iii) a Transfer Agent, *]* [(iv)]/[(ii)] a Determination Agent, [(v)]/[(iii)] a Custodian, [(vi)]/[(iv)] a Paying Agent having its specified office in a major European city *[If the ETC Securities are listed on the LSE, text will apply or be inserted –* (which shall be London so long as the ETC Securities are listed on the London Stock Exchange)), [(vii)]/[(v)] such other agents as may be required by any other stock exchange on which the ETC Securities may be listed, in each case, as approved by the Trustee, and [(viii)]/[(vi)] a Paying Agent with a specified office in a European

Union member state that will not be obliged to withhold or deduct any tax pursuant to any law implementing Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Securityholders by the Issuer in accordance with Condition 19.

Pursuant to the terms of the Trust Deed, at any time after an Event of Default or a Potential Event of Default has occurred in relation to a particular Series of ETC Securities, the Trustee may (i) by notice in writing to the Issuer and the Issuing and Paying Agent and any other Paying Agents, require the Issuing and Paying Agent and all or any of the other Paying Agent(s), until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Trust Deed and the ETC Securities of such Series *mutatis mutandis* on the terms of the relevant Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other expenses of the Issuing and Paying Agent and such other Paying Agents (if any) will be limited to the amounts for the time being held by the Trustee in respect of the ETC Securities on the terms of the Trust Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6) to discharge such liability); or (b) deliver [*If Bearer Securities text will apply or be inserted* – the ETC Securities and] all moneys, documents and records held by them in respect of the ETC Securities to or to the order of the Trustee or as the Trustee directs in such notice, and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the ETC Securities to or to the order of the Trustee and not to the Issuing and Paying Agent with effect from the receipt of any such notice by the Issuer; and from then until such notice is withdrawn, sub-paragraph (1) of Condition 6(b)(i) shall cease to have effect.

Pursuant to the terms of the Security Deed, at any time after the Security has become enforceable, the Trustee may (i) by notice in writing to the Issuer and the Agents, require the Agents or any of them, until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Security Deed *mutatis mutandis* on the terms of the relevant Agency Agreement, Custody Agreement, Determination Agent Agreement and Authorised Participant Agreement, as applicable (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other expenses of the Agents or such Agent will be limited to the amounts for the time being held by the Trustee in respect of the ETC Securities on the terms of the Security Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6) to discharge such liability), and thereafter to hold all ETC Securities, moneys, assets, documents and records held by them in respect of the ETC Securities and in the case of the Custodian or any Sub-Custodian (where applicable) assets forming part of, or documents evidencing or representing, the Secured Property, to the order of the Trustee; or (b) deliver all ETC Securities, moneys, assets, documents and records held by them in respect of the ETC Securities and in the case of the Custodian or any Sub-Custodian (where applicable) assets forming part of, or documents evidencing or representing, the Secured Property, to the Trustee or as the Trustee directs in such notice; and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the ETC Securities to or to the order of the Trustee and not to the Issuing and Paying Agent with effect from the receipt of any such notice by the Issuer.

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

- (i) If any date for payment in respect of any ETC Security is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day or to any interest or other sum in respect of such postponed payment.

- (ii) If any date referred to in the Conditions would otherwise fall on a day that is not a Scheduled Valuation Day, then such date shall be postponed to the next day that is a Scheduled Valuation Day.

(j) **Default Interest**

If payment of the Final Redemption Amount or Early Redemption Amount, as applicable, is improperly withheld or refused, default interest shall accrue (before as well as after judgment) on such amount from and including the due date for redemption to but excluding the date of payment at the rate for each day in that period equal to *[If the ETC Securities are denominated in euro, text will apply or be inserted – the overnight rate as calculated by the European Central Bank appearing on Reuters Screen EONIA Page (or any successor page thereto) in respect of that day if that day is a TARGET Settlement Day, or in respect of the TARGET Settlement Day immediately preceding that day, if that day is not a TARGET Settlement Day]**[If the ETC Securities are denominated in GBP, text will apply or be inserted – the overnight rate which appears on Reuters Screen SONIA Page in respect of that day if that day is a London Business Day, or in respect of the London Business Day immediately preceding that day, if that day is not a London Business Day]**[If the ETC Securities are denominated in USD, text will apply or be inserted – the daily effective federal funds rate determined by the Federal Reserve as the weighted average of the rates on brokered trades, with such daily rates appearing on the Reuters Screen FEDFUNDS1 Page in respect of that day if that day is a New York Business Day, or in respect of the New York Business Day immediately preceding that day, if that day is not a New York Business Day]*. If such rate does not appear on such screen, the rate shall be equal to the rate offered by a major bank in a relevant interbank market for overnight deposits in the same currency as the denomination of the ETC Securities.

(k) **Records**

[If Bearer Securities in NGN form, text will apply or be inserted – For so long as the ETC Securities are Bearer Securities represented by a Global Security in NGN form, the records of the Relevant Clearing Systems (which expression in this Condition 12(k) means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the ETC Securities) shall be conclusive evidence of the number of the ETC Securities represented by the Global Security and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of ETC Securities represented by the Global Security at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.]

[If Uncertificated Registered Securities or Bearer Securities in CGN form, text will apply or be inserted - This Condition is intentionally left blank.]

(l) ***[If Bearer Securities, text will apply or be inserted – Negotiability of Global Security***

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

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

- (iii) payment upon due presentation of the Global Security will operate as a good discharge against such holder and all previous holders of the Global Security.]

[If Uncertificated Registered Securities or Bearer Securities in CGN form, text will apply or be inserted - This Condition is intentionally left blank.]

13 Prescription

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

14 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its discretion may, or shall, if so directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding (determined on an outstanding (actual) basis) or if so directed by an Extraordinary Resolution (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) (such notice an “**Event of Default Redemption Notice**”) that the ETC Securities are, and they shall immediately become, due and payable at their Early Redemption Amount on the Early Redemption Date:

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

The Issuer shall, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

The Issuer has undertaken in the Trust Deed that, on each anniversary of the issue date of the first series of securities issued under the Programme and also within 14 calendar days after any request by

the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that as at a date not more than five calendar days prior to the date of the certificate no Event of Default, or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default, has occurred.

15 Enforcement

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

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

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

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

(a) *Meetings of Securityholders*

In accordance with the terms of the Trust Deed, a meeting of Securityholders may be convened as described in Annex 1 to these Conditions by the Issuer or the Trustee at any time during the term of the ETC Securities. The quorum requirement for a meeting and the voting arrangements pursuant to the Trust Deed are described in Annex 1 to these Conditions.

The special quorum provisions described in Annex 1 to these Conditions and in the Trust Deed shall apply to any meeting and Extraordinary Resolution relating to any proposal: (i) to amend the dates of maturity or redemption of the ETC Securities; (ii) to vary any method of, or basis for, calculating the Final Redemption Amount or Early Redemption Amount, as applicable; (iii) to vary the currency or currencies of payment or denomination of the ETC Securities; (iv) to take any steps that as specified in the Issue Deed and/or the Trust Deed may only be taken following

approval by an Extraordinary Resolution to which the special quorum provisions apply; (v) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution; (vi) to modify the provisions of the Trust Deed concerning the special quorum provisions; or (vii) to modify certain provisions of Condition 6 and/or the Security Deed.

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

- (i) the transfer of Posted Collateral to the Swap Counterparty under the Credit Support Deed and the related release of Security provided such transfer and release is effected in accordance with the terms of the Credit Support Deed;
- (ii) the substitution of the Posted Collateral pursuant to Condition 11(d) and any amendments or supplements to the Custody Agreement in connection therewith;
- (iii) any change to any component of the Accrued Fee at any time;
- (iv) any adjustment to the Conditions of the ETC Securities made pursuant to Condition 9(e);
- (v) any appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);
- (vi) the substitution of the Index with a Successor Index pursuant to Condition 10;
- (vii) the transfer, novation or assignment of the Swap Agreement and/or the Credit Support Deed pursuant to Condition 11(b);
- (viii) any increase to the Programme Maximum Number of ETC Securities;
- (ix) any amendment to Annex 2 to the Conditions; or
- (x) any amendment to any term of the Conditions or any Transaction Document which relates to an operational or procedural issue.

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

Without prejudice to Condition 16(a), the Trustee may agree, without the consent of the Securityholders but only with the prior written consent of the Lead Authorised Participant and the Programme Swap Counterparty, to (i) any modification to these Conditions, the Trust Deed, the Security Deed, the Swap Agreement, the Credit Support Deed and/or any other Transaction Document to which the Trustee is a party which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed, the Security Deed, the Swap Agreement, the Credit Support Deed and/or any other Transaction Document to which the Trustee is a party that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver will be binding on the Securityholders and, if the Trustee so requires, such modification will be notified by the Issuer to the Securityholders in accordance with Condition 19 as soon as reasonably practicable.

(c) ***Substitution***

The Trustee may, without the consent of the Securityholders but subject to the prior consent of the Lead Authorised Participant and the Programme Swap Counterparty, agree to the substitution, in place of the Issuer (or of any previous substitute) as the principal debtor under the Trust Deed, the

Security Deed, the other Transaction Documents to which it is a party and the ETC Securities, of any other company (incorporated in any jurisdiction) (any such substitute company being the **"Substituted Obligor"**) whether in connection with the occurrence of a Swap Agreement Tax Event under the Swap Agreement or otherwise, provided that:

- (i) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Trust Deed, the Security Deed and the ETC Securities (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Trust Deed, the Security Deed and the ETC Securities as the principal debtor in place of the Issuer;
- (ii) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Security created in respect thereof pursuant to the Security Deed and takes all such action as the Trustee may require so that the Security constitutes a valid charge, pledge or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted Obligor;
- (iii) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;
- (iv) the Trustee will be satisfied (if it requires, by reference to legal opinions) that (a) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the ETC Securities and any Transaction Document have been obtained and (b) such approvals and consents are at the time of substitution in full force and effect;
- (v) the Issuer and the Substituted Obligor will execute and the Issuer shall procure that the Swap Counterparty, any Credit Support Provider in respect of the Swap Counterparty and any other Transaction Party will execute such other deeds, documents and instruments (if any) as the Trustee may require in order that such substitution is fully effective and comply with such other requirements in the interests of the Securityholders as the Trustee may direct;
- (vi) in connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the holders of the ETC Securities, agree to a change of the law from time to time governing such ETC Securities and/or the Issue Deed and/or the Trust Deed and/or the Security Deed, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such Securityholders;
- (vii) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Securityholders; and
- (viii) a legal opinion satisfactory to the Trustee is provided concerning any proposed substitution.

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

On completion of the formalities set out in this Condition 16(c) and the Trust Deed, the Substituted Obligor shall be deemed to be named in these Conditions, the Trust Deed, the other Transaction

Documents and the ETC Securities as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the Trust Deed, the other Transaction Documents and the ETC Securities shall be deemed to be amended as necessary to give effect to the substitution.

(d) **Entitlement of the Trustee**

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

17 Replacement of ETC Securities

[If Bearer Securities, text will apply or be inserted –

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

[If Uncertificated Registered Securities, text will apply or be inserted – [This Condition is intentionally left blank.]]

18 Further Issues

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

Only an Authorised Participant may request that the Issuer issue additional Tranches of the ETC Securities by delivering a valid Subscription Order subject to and in accordance with the terms of the Authorised Participant Agreement. The Issuer will only accept a Subscription Order and issue ETC Securities if a Subscription Order is given by an Authorised Participant and determined to be valid by or on behalf of the Issuer, the Swap Counterparty agrees to increase the economic exposure under the Swap Transaction by a *pro rata* amount in connection with the issue of the number of ETC Securities specified in the relevant subscription request and all conditions precedent to an issue of the ETC

Securities are satisfied. The Issuer shall have no obligation to issue further ETC Securities and no obligation to accept any Subscription Orders from (but excluding) the 15th Scheduled Valuation Day preceding the Scheduled Maturity Date.

In accordance with the terms of the Authorised Participant Agreement and the Swap Agreement, the Issuer will not be obliged to accept any Subscription Order and/or issue ETC Securities if (i) a Suspension Event has occurred and is continuing, and/or (ii) an Early Redemption Event has occurred and/or a Swap Early Termination Date has been designated or occurred under the Swap Agreement, and/or (iii) a Determination Agent Bankruptcy Event Notice, Index Cancellation No Successor Notice, Agent Redemption Event Notice, Publication Event Redemption Notice, Value per ETC Security Threshold Level Notice, AP Redemption Event Notice, Swap Counterparty Default Redemption Notice or Tax Event Redemption Notice has been delivered, and/or (iv) the Swap Counterparty does not consent to increase the economic exposure under the Swap Transaction by a *pro rata* amount. If an Issuer Call Redemption Notice is delivered the last day on which the Issuer is required to accept a valid Subscription Order shall be the 4th Scheduled Valuation Day preceding the related Early Redemption Valuation Date designated in such notice. If an Issuer Redemption Notice is delivered by the Issuer the last day on which the Issuer is required to accept a valid Subscription Order shall be the 4th Scheduled Valuation Day preceding the related Early Redemption Valuation Date designated in such notice. If the Swap Counterparty elects for the Swap Transaction to terminate on the last day of its scheduled term and such date falls before the Scheduled Maturity Date of the ETC Securities the last day on which the Issuer is required to accept a valid Subscription Order shall be the 4th Scheduled Valuation Day preceding the scheduled termination date of the Swap Transaction. If a Swap Early Termination Date is designated or occurs under the Swap Agreement (other than in connection with a Swap Optional Termination Exercise Notice), the last day on which the Issuer is required to accept a valid Subscription Order shall be the earlier of the date of the notice (if any) designating the Swap Early Termination Date or the Swap Early Termination Date, as applicable. If a Swap Optional Termination Exercise Notice is delivered by the Swap Counterparty, the last day on which the Issuer is required to accept a valid Subscription Order shall be the 4th Scheduled Valuation Day preceding the Swap Early Termination Date designated in such notice. If an Index Cancellation No Successor Notice, an Agent Redemption Event Notice, a Publication Event Redemption Notice, a Value per ETC Security Threshold Level Notice, an AP Redemption Event Notice, an ETC Securities Swap Redemption Event Notice or a Tax Event Redemption Notice is delivered, the last day on which the Issuer is required to accept a valid Subscription Order shall be the date of such notice.

The Issuer may suspend the issuance of further ETC Securities at any time. If a Suspension Event occurs, the Issuer shall not be obliged to accept any Subscription Orders for the ETC Securities with effect from the date of suspension specified in the relevant notice to the Determination Agent, Lead Authorised Participant and the Authorised Participants until such time (if any) as the Issuer notifies such Transaction Parties that it shall recommence the issue of further Tranches of the ETC Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Scheduled Valuation Day following the date of such notice. The Issuer shall give notice to Securityholders in accordance with Condition 19 of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.

If a Determination Agent Bankruptcy Event Notice is given by the Issuer or the Programme Swap Counterparty, the Issuer shall not be obliged to accept any Subscription Orders until such time as a replacement Determination Agent is appointed in accordance with the Determination Agent Agreement or the Programme Swap Counterparty is making the requisite determinations and calculations in place of the Determination Agent pursuant to Condition 12(d).

In relation to any Subscription Order which has been accepted by or on behalf of the Issuer but in respect of which the Subscription Settlement Date has not yet occurred as at the date of the occurrence

of an Early Redemption Event in connection with a Swap Counterparty Bankruptcy Event or Swap Counterparty Termination Event, each such Subscription Order shall automatically be cancelled with effect from the date of the occurrence of such Early Redemption Event.

If, at any time after the occurrence of a Subscription Settlement Date in respect of which the relevant Authorised Participant has not paid in full the related Subscription Settlement Amount under the Authorised Participant Agreement, an Early Redemption Event occurs or the Final Redemption Valuation Date occurs, the ETC Securities issued on such Subscription Settlement Date which are pending settlement to the relevant Authorised Participant shall automatically be cancelled with effect from the date of the occurrence of such Early Redemption Event or the Final Redemption Valuation Date, as applicable.

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

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

19 Notices

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

- (a)
 - (i) *[If Bearer Securities listed on the London Stock Exchange, text will apply or be inserted – published in a daily newspaper with general circulation in the United Kingdom (which is expected to be the Financial Times)]**[If Bearer Securities listed on any other Relevant Stock Exchange, text will apply or be inserted – [and] published in a daily newspaper with general circulation in the country of the Relevant Stock Exchange]**[If Uncertificated Registered Securities, text will apply or be inserted – delivered to the Registrar and/or the Operator for communication to the holders pursuant to the procedures for delivery of notices to accountholders in CREST as may be agreed between the Issuer, the Registrar and the Operator from time to time]; and/or*
 - (ii) published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; and/or
- (b) for so long as the ETC Securities are listed on any Relevant Stock Exchange, published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority; and]
- (c) *[If Bearer Securities, text will apply or be inserted – for so long as the ETC Securities are in global form, notices required to be given in respect of the ETC Securities represented by a Global Security are given by their being delivered (so long as the Global Security is held on behalf of a Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Security, rather than by publication as required above]**[If the ETC Securities are listed on the*

Luxembourg Stock Exchange, text will apply or be inserted –, except that for so long as the ETC Securities are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given to the holders of the ETC Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System.]

If, in the opinion of the Trustee, any such publications above are not practicable, notice shall be validly given if published in another leading daily newspaper with general circulation in the relevant country.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

20 Rights, Obligations and Indemnification of the Trustee

(a) *Condition Precedent to Trustee Action*

The Trustee is not obliged or required to take any action, step or proceeding that would involve any personal liability or expense without first being pre-funded and/or secured and/or indemnified to its satisfaction.

(b) *Liability in Respect of Security and the Secured Property*

The Trustee will accept without investigation, requisition or objection such right and title as the Issuer has to any of the Secured Property and need not examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Secured Property or any part of it, whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. The Trustee is not under any obligation to insure any property comprising the Secured Property and/or transferred to the Issuer under the Credit Support Deed or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

The Trustee will not be responsible for, nor will it have any liability with respect to any loss or theft or reduction in value of any property comprising the Secured Property and/or transferred to the Issuer under the Credit Support Deed. The Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor as regards any deficiency which might arise because (i) all or part of the property comprising the Secured Property and/or transferred to the Issuer under the Credit Support Deed is or will be held by the Custodian or a Sub-Custodian and/or (ii) the Trustee, the Custodian, any Sub-Custodian and/or the Liquidation Agent (if any), as applicable, is subject to any Tax in respect of any of the Secured Property, any income therefrom and/or the proceeds thereof.

The Trustee will not be responsible or liable to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor for the validity, enforceability, value or sufficiency (which the Trustee will not investigate) of the Security relating to the ETC Securities. The Trustee will not be liable to any Securityholder, any Secured Creditor, any Other Creditor or any other person for any failure to make or cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee, mortgagee or assignee in relation to the Security relating to the ETC Securities.

None of the Trustee, any receiver appointed by it or any attorney or agent of the Trustee will, by reason of taking possession of any Secured Property or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such Secured Property or from any act or

omission in relation to such Secured Property or otherwise unless such loss or damage shall be caused by its own fraud.

(c) ***Discharge***

The Trustee's receipt for any moneys paid to it will discharge the person paying them and such person will not be responsible for their application.

(d) ***Apportionment of Trustee Expenses Between Series of ETC Securities***

If at any time the Trustee is Trustee in respect of more than one series of securities issued under the Programme by the Issuer, the Trustee will be entitled in its absolute discretion to determine in respect of which Series of ETC Securities any liabilities and expenses have been incurred by the Trustee and to allocate any such liabilities and expenses between such Series of ETC Securities.

(e) ***Advice***

The Trustee may act on the opinion or advice of, or information obtained from, any expert and will not be responsible to anyone for any loss occasioned by so acting whether such advice is obtained or addressed to the Issuer, the Trustee or any other person. Any such opinion, advice or information may be sent or obtained by letter or fax and the Trustee will not be liable to anyone for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic and whether or not such expert's liability in respect thereof is limited whether by reference to a monetary cap or otherwise.

(f) ***Trustee to Assume Performance***

The Trustee need not notify anyone of the execution of the Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, or a Potential Event of Default, an Early Redemption Event, a Disruption Event, an Adjustment Event, a Suspension Event, a substitution of Posted Collateral, a Determination Agent Bankruptcy Event, a transfer, novation or assignment of the Swap Agreement and/or any Credit Support Document, a substitution of the Index or a resignation or termination of an Agent's appointment has occurred or if the Security and/or the security created under the Credit Support Deed has become enforceable. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer is performing all its obligations under the Trust Deed, the Security Deed, the ETC Securities and the other Transaction Documents. The Trustee is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being performed unless it shall have actual knowledge to the contrary.

(g) ***Resolutions and Directions of Securityholders***

The Trustee will not be responsible for having acted in good faith on a resolution purporting to have been passed at a meeting of Securityholders in respect of which minutes have been made and signed or any instruction or direction in writing purporting to have been given by or on behalf of Securityholders even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or the giving of such instruction or direction or that such resolution, instruction or direction was not valid or binding on the Securityholders.

(h) ***Certificate Signed by Directors***

If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any director of the Issuer as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss occasioned by acting on such a certificate.

(i) ***Deposit of Documents***

The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit the Issue Deed and any other documents with such custodian and pay all sums due in respect thereof and the Trustee will not be responsible for any loss incurred in connection with any such holding or deposit. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

(j) ***Discretion***

The Trustee has absolute and uncontrolled discretion as to the exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience that may result from their exercise or non-exercise.

(k) ***Agents***

Whenever it considers it expedient in the interests of the Securityholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).

(l) ***Delegation***

Whenever it considers it expedient in the interests of the Securityholders, the Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions.

(m) ***Nominees***

In relation to any asset held by it under the Trust Deed or any other Transaction Document, the Trustee may appoint any person to act as its nominee on any terms.

(n) ***Confidentiality***

Unless ordered to do so by a court of competent jurisdiction, the Trustee will not be required to disclose to any Securityholder, Secured Creditor or Other Creditor any confidential financial or other information made available to the Trustee by the Issuer.

(o) ***Determinations Conclusive***

As between itself and the Securityholders, and/or any Secured Creditor and/or any Other Creditor, the Trustee may determine all questions and doubts arising in relation to any of the provisions of the Trust Deed, the Security Deed or any other Transaction Document. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and will bind the Trustee, the Securityholders, the Secured Creditors and/or any Other Creditor.

(p) ***Currency Conversion***

Where it is necessary or desirable for any purpose for the Trustee to convert any sum from one currency to another, it will (unless otherwise provided in the Issue Deed or these Conditions or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, the Securityholders and the Transaction Parties.

(q) ***Indemnity Under the Trust Deed***

Pursuant to the Trust Deed, without prejudice to the right of indemnity by law given to trustees [*If Bearer Securities text will apply or be inserted* – and subject to the provisions of Section 750 of the Companies Act 2006], the Trustee and every receiver, attorney, manager, agent or other person appointed by the Trustee under the Trust Deed in relation to the ETC Securities will be entitled to be indemnified out of the Secured Property in respect of all liabilities and expenses properly incurred by them or him in the execution or purported execution of the trusts or of any functions vested in them or him pursuant to the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any acts or omissions relating to the Secured Property, and the Trustee may retain any part of any moneys in its hands arising from the trusts of the Trust Deed all sums necessary to effect such indemnity and also the remuneration of the Trustee. The Trustee will have a lien on the Secured Property for all moneys payable to it under this Condition 20(q), the Trust Deed or otherwise.

(r) ***Issue Deed***

The Trustee assumes no responsibility for, and will not, by the execution of the Issue Deed, be deemed to make any representation as to, the adequacy, sufficiency, validity or enforceability of the Issue Deed or any agreement constituted by the execution thereof.

(s) ***Transaction Parties***

In acting as Trustee under the Trust Deed, the Trustee does not assume any duty or responsibility to any Transaction Party (other than to pay to any such party any moneys received and payable to it and to act in accordance with the provisions of Condition 6 and the Trust Deed) and will have regard solely to the interests of the Securityholders. The Trustee is not (subject to Conditions 6 and 15) obliged to act on any directions of any Transaction Party if this would, in the Trustee's opinion, be contrary to the interests of the Securityholders.

(t) ***Consent of Trustee***

Except as otherwise expressly provided to the contrary, any consent or approval given by the Trustee may be on such terms and subject to such conditions as the Trustee reasonably thinks fit.

(u) ***Payment for and Delivery of ETC Securities***

The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the ETC Securities [*If Bearer Securities text will apply or be inserted* - , any exchange of ETC Securities or the delivery of ETC Securities to the persons entitled to them].

(v) ***Legal Opinion***

The Trustee will not be responsible to any person for failing to request, require or receive any legal opinion relating to the ETC Securities or for checking or commenting upon the content of any such legal opinion.

(w) ***Programme Limit***

The Trustee will not be concerned, and need not enquire, as to whether or not the ETC Securities are issued or entered into in breach of the Programme Maximum Number of ETC Securities.

(x) ***Events***

The Trustee may determine whether or not an Event of Default is in its opinion capable of remedy. Any such determination will be conclusive and binding on the Issuer and the Securityholders. However, the Trustee is not under any obligation to monitor whether or not an Event of Default, a

Potential Event of Default, an Early Redemption Event, a Disruption Event, an Adjustment Event, a Programme Swap Counterparty Bankruptcy Event, a Swap Agreement Tax Event, a Suspension Event, a substitution of Posted Collateral, a Determination Agent Bankruptcy Event, a transfer, novation or assignment of the Swap Agreement and Credit Support Deed, a substitution of the Index or a resignation or termination of an Agent's appointment has occurred or is continuing or to monitor compliance by the Agents, the Swap Counterparty or any Credit Support Provider of the Swap Counterparty or any other Transaction Party with any of their respective obligations under the Transaction Documents.

(y) ***Responsibility for Appointees***

If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee (an "**Appointee**"), it will not have any obligation to supervise such Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

(z) ***Notice in Respect of Appointees***

The Trustee will, within a reasonable time prior to any delegation to an Appointee or any renewal, extension or termination thereof, give notice thereof (containing details of such appointment) to the Issuer.

(aa) ***No Responsibility for Clearing Systems***

None of the Issuer, the Trustee or any other Transaction Party will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

(bb) ***Certifications***

The Trustee will be entitled to rely upon a certificate of any Transaction Party in respect of every matter and circumstance for which a certificate, calculation or determination is expressly provided for under these Conditions and/or the relevant Transaction Documents and also in relation to any matter reasonably believed by the Trustee to be within the knowledge of the party certifying the same and the Trustee will not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do.

(cc) ***No Obligations to Monitor Transaction Parties Under the Trust Deed and the Security Deed***

Pursuant to the Trust Deed and the Security Deed, the Trustee will not be obliged to monitor nor be liable for any failure to monitor the performance by any Transaction Party of its duties and obligations under the Transaction Documents to the Issuer or by any other person of its obligations to the Issuer. The Trustee may assume that such are being performed unless it has actual knowledge to the contrary. The Trustee will not be obliged to take any action or step against any such Transaction Party or other person (unless secured and/or pre-funded and/or indemnified to its satisfaction).

(dd) ***Certifications of Amounts Owed***

The Trustee will be entitled to rely upon a certificate of any party to the Transaction Documents as to any amounts owing to any such party and will not be responsible for any loss occasioned by its relying and acting on such certificate.

(ee) **Authorised Participants**

The Trustee will not be responsible for monitoring or ascertaining whether there is one or more Authorised Participants or no Authorised Participant in respect of the ETC Securities or whether no Authorised Participant is willing to purchase any ETC Securities and, unless and until it receives express notice to the contrary, it will be entitled to assume that there is one or more Authorised Participants in respect of the ETC Securities and that one or more Authorised Participants is or are willing to purchase the ETC Securities.

(ff) **Calculation of Value per ETC Security and Redemption Amounts**

In ascertaining any Value per ETC Security, Final Redemption Amount or Early Redemption Amount, as applicable, the Trustee will be entitled to call for and rely upon a determination by the Determination Agent or the Programme Swap Counterparty (in each case acting as agent of the Issuer or if the Trustee so requests as agent of the Trustee, as applicable) as to such amount.

(gg) **Signed Documents**

The Trustee will not incur liability to any person in acting upon any signature, instrument, notice, resolution, endorsement, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties.

(hh) **Trustee Liable for Negligence**

Section 1 of the Trustee Act 2000 will not apply to any function of the Trustee, provided that if the Trustee fails to show the degree of care and diligence required of it as trustee, nothing in these Conditions or the Security Deed *[If Bearer Securities, text will apply or be inserted – or the Trust Deed]* will relieve or indemnify the Trustee from or against any liability that would otherwise attach to it in respect of any negligence, wilful default, breach of duty or breach of trust of which it may be guilty. *[If Uncertificated Registered Securities, text will apply or be inserted –* In the purported execution of the trusts, powers and provisions of the Trust Deed, the Trustee will not be liable for any loss, liability, cost, claim, action, demand or expense arising in consequence of the failure, depreciation or loss of any investments made or retained in good faith or by reason of any mistake or omission made in good faith or of any other act, omission, matter or thing whatever except for breach of trust arising from fraud, wilful misconduct or negligence on the part of the Trustee.]

(ii) **Waiver and Proof of Default**

- (i) The Trustee may, without the consent of the Securityholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Securityholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer of the Trust Deed, the Conditions or any other Transaction Document or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Securityholders and, if the Trustee so requires, will be notified to the Securityholders as soon as practicable.
- (ii) Proof that the Issuer has failed to make a payment of Principal when due under the Conditions to the holder of any one ETC Security will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other ETC Securities that are then payable.

(jj) ***Trustee not Precluded from Entering into Contracts***

The Trustee and any other person, whether or not acting for itself, may acquire, hold, deal in or dispose of any ETC Security or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Trustee were not acting as Trustee and need not account for any profit.

(kk) ***Accumulation of Moneys***

If the amount of the moneys at any time available to the Trustee for payment of Principal in respect of the ETC Securities in accordance with Condition 6(b) or 6(c), as applicable, is less than 10 per cent. of the aggregate Value per ETC Security of the ETC Securities then outstanding (determined on an outstanding (actual) basis), the Trustee may, pursuant to the Trust Deed or the Security Deed, as applicable, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the aggregate Value per ETC Security of the ETC Securities then outstanding (determined on an outstanding (actual) basis) and then such investments, accumulations and funds (after deduction of, or provision for, any applicable Taxes) will be applied as specified in Condition 6(b) or 6(c), as applicable.

(ll) ***Investment***

Pursuant to the terms of the Trust Deed and the Security Deed, moneys held by the Trustee may be (x) invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or (y) deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may, at any time, vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise provided that all such investments or assets invested in, or deposits made, by the Trustee will be in investments or assets denominated in the Specified Currency of the ETC Securities (and to the extent (if any) that sums received by the Trustee in respect of the ETC Securities are in a currency other than the Specified Currency of the ETC Securities, the Trustee may, for the purposes of making investments in accordance with the Trust Deed or Security Deed, as applicable, convert such sums into the Specified Currency of the ETC Securities and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise). In the event that the ETC Securities are rated by a Rating Agency at the request of the Issuer, all such investments or assets will, at the time of investment, be rated:

- (i) where the ETC Securities are rated by Fitch, AAA by Fitch (in the case of long-term investments or assets of more than one year), F1+ by Fitch (in the case of short-term investments or assets of one year or less) or such alternative rating as may be advised by Fitch as being acceptable for being commensurate with the rating assigned to such ETC Securities;
- (ii) where the ETC Securities are rated by Moody's, Aaa by Moody's (in the case of long-term investments or assets of more than one year), P-1 by Moody's (in the case of short-term investments or assets of one year or less) or such alternative rating as may be advised by

Moody's as being acceptable for being commensurate with the rating assigned to such ETC Securities;

- (iii) where the ETC Securities are rated by S&P, AAA by S&P (in the case of long-term investments or assets of more than one year), A-1+ by S&P (in the case of short-term investments or assets of one year or less) or such alternative rating as may be advised by S&P as being acceptable for being commensurate with the rating assigned to such ETC Securities; and
- (iv) where the ETC Securities are rated by any other agency, such rating as may be advised by that rating agency as being acceptable for being commensurate with the rating assigned to such ETC Securities; and

in respect of the ETC Securities rated by a Rating Agency at the request of the Issuer, where any moneys are placed on deposit with a bank or financial institution, such bank or financial institution will, at the time of investment, be rated at least:

- (A) where the ETC Securities are rated by Fitch, F1+ by Fitch;
- (B) where the ETC Securities are rated by Moody's, P-1 by Moody's;
- (C) where the ETC Securities are rated by S&P, A-1+ by S&P; and
- (D) where the ETC Securities are rated by any other rating agency, such rating as may be advised by that rating agency for these purposes,

provided that, in relation to this Condition 20(II), if the ETC Securities are rated by more than one Rating Agency the higher of the ratings requirements in this Condition 20(II) and the Trust Deed in relation to the relevant Rating Agencies will apply.

(mm) ***Creditworthiness of the Secured Property and the Transaction Parties***

Pursuant to the Security Deed, the Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor for the creditworthiness (which the Trustee shall not investigate) of any property comprising all or part of the Secured Property relating to the ETC Securities at any time or any property transferred to the Issuer under the Credit Support Deed, or any obligor or guarantor in respect thereof, or the creditworthiness of any Transaction Party, or the validity or enforceability of the obligations of any Transaction Party.

(nn) ***Ability to Borrow on Secured Property***

Pursuant to the Security Deed, the Trustee may raise and borrow money on the security of the Secured Property or any part of it in order to defray moneys, costs, charges, losses and expenses paid or incurred by it in relation to the Security Deed (including the costs of realising any security and the remuneration of the Trustee) or in exercise of any of its functions pursuant to the Security Deed. The Trustee may raise and borrow such money on such terms as it shall think fit and may secure its repayment with interest by mortgaging or otherwise charging all or part of the Secured Property whether or not in priority to the Security constituted by or pursuant to the Security Deed and generally in such manner and form as the Trustee shall think fit and for such purposes may take such action as it shall think fit.

(oo) ***Liability of Trustee, Receiver, Attorneys or Agents***

Pursuant to the Security Deed, neither the Trustee nor any receiver or any attorney or agent of the Trustee will, by reason of taking possession of any Secured Property or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such Secured Property

or from any act or omission in relation to such Secured Property or otherwise unless such loss or damage shall be caused by its own fraud.

(pp) ***Deficiency Arising from Tax***

Pursuant to the Security Deed, the Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor as regards any deficiency which might arise because the Trustee or Custodian is subject to any Tax in respect of any of the Secured Property, any income therefrom and/or the proceeds thereof.

(qq) ***Indemnity Under the Security Deed***

Pursuant to the Security Deed, without prejudice to the right of indemnity by law given to trustees and subject to the provisions of Section 750 of the Companies Act 2006, the Trustee and every receiver, attorney, manager, agent or other person appointed by the Trustee under the Security Deed will be entitled to be indemnified out of the Secured Property in respect of all liabilities and expenses properly incurred by them or him in the execution or purported execution of the trusts or of any functions vested in them or him pursuant to the Security Deed and against all actions, proceedings, costs, claims and demands in respect of any acts or omissions relating to the Secured Property, and the Trustee may retain any part of any moneys in its hands arising from the trusts of the Security Deed to pay all sums necessary to effect such indemnity and also the remuneration of the Trustee. The Trustee shall have a lien on such Secured Property for all moneys payable to it under this Condition 20(qq), the Security Deed or otherwise. The Trustee is not obliged or required to take any step or action under or in connection with the ETC Securities, the Security Deed and/or any other Transaction Document which may involve it in incurring any personal liability or expense unless indemnified and/or secured and/or pre-funded to its satisfaction.

(rr) ***No Obligations to Monitor Transaction Parties Under the Security Deed***

In acting as Trustee under the Security Deed, the Trustee will not be obliged to monitor or be liable for any failure to monitor the performance by any Transaction Party of its duties and obligations under the Transaction Documents to the Issuer or any other or by any other person of its obligations to the Issuer. The Trustee may assume that such are being performed unless it shall have actual knowledge to the contrary. The Trustee will not be obliged to take any action or step against any such Transaction Party or other person unless secured and/or pre-funded and/or indemnified to its satisfaction.

(ss) ***Validity of the Security***

The Trustee assumes no responsibility for the validity, value, sufficiency or enforceability (which the Trustee has not investigated) of the Security purported to be created by the Security Deed or the security created in favour of the Issuer under the Credit Support Deed. In addition, the Trustee has no duty to monitor the performance by the Agents, the Swap Counterparty or any Credit Support Provider of the Swap Counterparty of their obligations to the Issuer nor is it obliged (unless secured and/or pre-funded and/or indemnified to its satisfaction) to take any action or step which may involve the Trustee in any personal liability or expense. The Trustee will not be liable to any Securityholder, any Secured Creditor, any Other Creditor or any other person for any failure to make or cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee, mortgagee or assignee in relation to the Secured Property.

(tt) **Credit Risk**

The Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor (and will not be under any obligation to make any searches, investigations and enquiries) as regards the creditworthiness of (i) any Transaction Party, (ii) any property transferred to the Issuer under the Credit Support Deed, or (iii) any property comprising the Secured Property at any time.

(uu) **Obligations of the Custodian and any Sub-Custodian(s)**

The Trustee will have no responsibility for the performance by the Custodian or Sub-Custodian of any of its respective obligations and will not be responsible for any claim arising from the fact that any property comprised in the Secured Property is held in safe custody by the Custodian or any Sub-Custodian(s). The Trustee will have no liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor as regards any deficiency which may arise because all or part of the Secured Property or any property transferred to the Issuer under the Credit Support Deed is held by the Custodian or Sub-Custodian.

(vv) **Voting Rights**

Pursuant to the Security Deed, the Trustee need not exercise any voting or other such rights (including the exercise of options) it may have over or in respect of any property comprised in the Secured Property unless directed by an Extraordinary Resolution of the Securityholders and unless indemnified and/or pre-funded and/or secured to its satisfaction.

(ww) *[If Bearer Securities, text will apply or be inserted –* **Forged ETC Securities**

The Trustee will not be liable to the Issuer or any Securityholder, Secured Creditor or Other Creditor by reason of having accepted as valid or not having rejected any ETC Security purporting to be such and later found to be forged or not authentic.]

[If Uncertificated Registered Securities or Bearer Securities in CGN form, text will apply or be inserted - This Condition is intentionally left blank.]

21 Relevant Clearing System

None of the Issuer, the Trustee, the Agents, the Swap Counterparty or any Credit Support Provider will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

22 Contracts (Rights of Third Parties) Act 1999

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

23 Governing Law and Jurisdiction

(a) **Governing Law**

[If Bearer Securities, text will apply or be inserted – The Issue Deed, the Trust Deed, the Security Deed and the ETC Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.]

[If Uncertificated Registered Securities, text will apply or be inserted – The Trust Deed and the ETC Securities, and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Jersey law. The Issue Deed and the Security Deed, and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.]

(b) ***Jurisdiction***

The courts of England are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any ETC Securities and, accordingly, any legal action or proceedings arising out of or in connection with any ETC Securities ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) ***Service of Process***

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

Annex 1 to the Master Terms and Conditions of the ETC Securities

PROVISIONS FOR MEETINGS OF SECURITYHOLDERS

[If Bearer Securities, text will apply or be inserted –

Interpretation

1 In this Annex:

- 1.1 references to a meeting are to a meeting of Securityholders of a single series of ETC Securities and include, unless the context otherwise requires, any adjournment of such meeting;
- 1.2 references to “ETC Securities” and “Securityholders” are only to the ETC Securities of the relevant Series in respect of which a meeting has been, or is to be, called and to the holders of these ETC Securities, respectively;
- 1.3 “**agent**” means a holder of a voting certificate or a proxy for, or representative of, a Securityholder;
- 1.4 “**block voting instruction**” means an instruction issued in accordance with paragraphs 9 to 15;
- 1.5 “**voting certificate**” means a certificate issued in accordance with paragraphs 6, 7, 8 and 15; and
- 1.6 references to persons representing a proportion of the ETC Securities are to Securityholders or agents holding or representing in the aggregate at least that proportion in number of the ETC Securities for the time being outstanding.

Powers of Meetings

2 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by the relevant Trust Deed, have power by Extraordinary Resolution:

- 2.1 to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Securityholders against the Issuer, whether or not those rights arise under the relevant Trust Deed or the relevant Security Deed;
- 2.2 to sanction the exchange or substitution for the ETC Securities of, or the conversion of the ETC Securities into, shares, bonds or other obligations or securities of the Issuer or any other entity;
- 2.3 to assent to any modification of the relevant Trust Deed, the relevant Security Deed or the ETC Securities proposed by the Issuer or the Trustee;
- 2.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 2.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 2.6 to appoint any persons (whether Securityholders or not) as a committee or committees to represent the Securityholders' interests and to confer on them any powers or discretions which the Securityholders could themselves exercise by Extraordinary Resolution;
- 2.7 to approve a proposed new Trustee and to remove a Trustee;
- 2.8 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the relevant Trust Deed and the relevant Security Deed; and
- 2.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under the relevant Trust Deed or the ETC Securities,

provided that the special quorum provisions in paragraph 19 shall apply to any Extraordinary Resolution (a “**special quorum resolution**”) for the purpose of sub-paragraph 2.2 or 2.8, any of the proposals listed in Condition 16(a) as being subject to a special quorum resolution or any amendment to this proviso.

Convening a Meeting

- 3 The Issuer or the Trustee may at any time convene a meeting. If it receives a written request by Securityholders holding at least 5 per cent. in number of the ETC Securities of any Series for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Securityholders of that Series. Every meeting shall be held at a time and place approved in writing by the Trustee.
- 4 At least 21 calendar days' prior notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Securityholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of the meeting and, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall explain how Securityholders may appoint proxies or representatives, obtain voting certificates and use block voting instructions and the details of the time limits applicable.
- 5 If ETC Securities of the relevant Series are listed on the Frankfurt Stock Exchange, the location of any meeting of Securityholders will be Frankfurt, Germany. Any meeting of Securityholders will be notified to the Securityholders by or on behalf of the Issuer at least 21 calendar days prior to the day on which the meeting shall take place. Such notice will state the name and the registered office of the Issuer, the nature of the business to be transacted at the meeting, the time and place of the meeting and will set out the requirements that a Securityholder will have to fulfil in order to attend and vote at the meeting and the conditions that apply to the casting of votes. In addition to publication of the notice of any such meeting in accordance with the terms of the relevant Trust Deed, the notice of any such meeting must be published by the Issuer in the German electronic Federal Gazette (*elektronischer Bundesanzeiger*) and on the website of the Issuer. A non-binding German translation of the English language version of each notice, voting certificate and any other documents relating to any such meeting as indicated in the notice convening such meeting will be available to Securityholders.

Arrangements for Voting

- 6 If a holder of a Bearer Security wishes to obtain a voting certificate in respect of it for a meeting, he must deposit it for that purpose at least 48 hours before the time fixed for the meeting with a Paying Agent or to the order of a Paying Agent with a bank or other depositary nominated by the Paying Agent for the purpose. The Paying Agent shall then issue a voting certificate in respect of that Bearer Security.

For the avoidance of doubt, for so long as the ETC Securities are Bearer Securities represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a common depositary, common safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the holder of the Bearer Securities for the purposes of the preceding paragraph shall be such Relevant Clearing System, common depositary, common safekeeper or nominee, as applicable, provided that for the purposes of ascertaining who is entitled to attend and vote, or to appoint a proxy to attend and vote, at any meeting convened to pass an Extraordinary Resolution (including a special quorum resolution), a person who is or persons who are shown in the records of the Relevant Clearing System as a holder or holders of ETC Securities represented by a Global Security shall be treated by the Issuer, the Transaction Parties and the bearer of such Global Security as though it is or they are the holder or holders of such Global Security.

Voting Certificate

- 7 A voting certificate shall:
- 7.1 be a document in the English language;
 - 7.2 be dated;
 - 7.3 specify the meeting concerned and the certificate numbers of the ETC Securities deposited; and
 - 7.4 entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those ETC Securities.
- 8 Once a Paying Agent has issued a voting certificate for a meeting in respect of an ETC Security, it shall not release the ETC Security until either:
- 8.1 the meeting has been concluded; or
 - 8.2 the voting certificate has been surrendered to the Paying Agent.

Block Voting

- 9 If a holder of a Bearer Security wishes the votes attributable to it to be included in a block voting instruction for a meeting, then, at least 48 hours before the time fixed for the meeting, (i) he must deposit the Bearer Security for that purpose with a Paying Agent or to the order of a Paying Agent with a bank or other depositary nominated by the Paying Agent for the purpose and (ii) he or a duly authorised person on his behalf must direct the Paying Agent how those votes are to be cast. The Paying Agent shall issue a block voting instruction in respect of the votes attributable to all Bearer Securities so deposited.
- 10 A block voting instruction shall:
- 10.1 be a document in the English language;
 - 10.2 be dated;
 - 10.3 specify the meeting concerned;
 - 10.4 list the total number and serial numbers of the ETC Securities deposited, distinguishing with regard to each resolution between those voting for and those voting against it;
 - 10.5 certify that such list is in accordance with ETC Securities deposited and directions received as provided in paragraphs 9, 12 and 15; and
 - 10.6 appoint a named person (a “**proxy**”) to vote at that meeting in respect of those ETC Securities and in accordance with that list. A proxy need not be a Securityholder.
- 11 Once the Issuing and Paying Agent or other relevant Paying Agent has issued a block voting instruction for a meeting in respect of the votes attributable to any ETC Securities:
- 11.1 it shall not release the ETC Securities, except as provided in paragraph 12, until the meeting has been concluded; and
 - 11.2 the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for the meeting.
- 12 If the receipt for an ETC Security deposited with the Issuing and Paying Agent or other relevant Paying Agent in accordance with paragraph 9 is surrendered to the Issuing and Paying Agent or such other relevant Paying Agent, as applicable, at least 48 hours before the time fixed for the meeting, the Issuing and Paying Agent or such other relevant Paying Agent, as applicable, shall release the ETC Security and exclude the votes attributable to it from the block voting instruction.

- 13 Each block voting instruction shall be deposited at least 24 hours before the time fixed for the meeting at such place as the Trustee shall designate or approve, and in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. If the Trustee requires, a notarially certified copy of each block voting instruction shall be produced by the proxy at the meeting but the Trustee need not investigate or be concerned with the validity of the proxy's appointment.
- 14 A vote cast in accordance with a block voting instruction shall be valid even if it or any of the Securityholders' instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the Issuing and Paying Agent or other relevant Paying Agent by the Issuer or the Trustee at its registered office or by the chairman of the meeting in each case at least 24 hours before the time fixed for the meeting.
- 15 No ETC Security may be deposited with or to the order of the Issuing and Paying Agent or other relevant Paying Agent at the same time for the purposes of both paragraph 6 and paragraph 9 for the same meeting.

Chairman

- 16 The chairman of a meeting shall be such person as the Trustee may nominate in writing, but, if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting, the Securityholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Securityholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

- 17 The following may attend and speak at a meeting:
 - 17.1 Securityholders and agents;
 - 17.2 the chairman;
 - 17.3 the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers;
 - 17.4 the Lead Authorised Participant and the relevant Authorised Participant(s) in respect of the relevant Series of ETC Securities and their respective legal and financial advisers; and
 - 17.5 the Programme Swap Counterparty, the Swap Counterparty and any Credit Support Provider of the Swap Counterparty relating to the relevant Series of ETC Securities and their respective legal and financial advisers.

No one else may attend or speak.

Quorum and Adjournment

- 18 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Securityholders or if the Issuer and the Trustee agree, be dissolved. In any other case, it shall be adjourned until such date, not less than 14 nor more than 42 calendar days later, and time and place as the chairman may decide (the "**adjourned meeting**"). If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

19

- 19.1 At a meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 50 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such meeting (other than an adjourned meeting or a meeting convened for the purpose of passing a special quorum meeting).
- 19.2 At a meeting convened for the purpose of passing a special quorum resolution, the quorum shall be one or more Securityholders or agents present in person holding or representing in the aggregate not less than 75 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding.
- 19.3 At an adjourned meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 25 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such adjourned meeting (including, for the avoidance of doubt, any special quorum resolution).
- 20 The chairman may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph 20 or paragraph 18.
- 21 At least 14 calendar days' prior notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

Voting

- 22 Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, the Trustee or one or more persons representing 2 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding (determined on an outstanding (actual) basis).
- 23 A resolution (other than a special quorum resolution or an Extraordinary Resolution) shall only be passed at a meeting if one or more Securityholders or agents holding or representing in aggregate not less than 50 per cent. of the votes cast at the meeting vote in favour of passing such resolution.
- 24 Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against it.
- 25 If a poll is demanded, it shall be taken in such manner and (subject as provided in paragraph 26) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 26 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 27 On a show of hands, every person who is present in person and who produces a Bearer Security or a voting certificate or is a proxy or representative has one vote. On a poll, every such person has one vote in respect of each ETC Security of such Series of ETC Securities so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the

obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

Effect and Publication of an Extraordinary Resolution

- 28** An Extraordinary Resolution shall be binding on all the Securityholders, whether or not present at the meeting and each of them shall be bound to give effect to it accordingly. The passing of an Extraordinary Resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Securityholders within 14 calendar days but failure to do so shall not invalidate such an Extraordinary Resolution.
- 29** A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of ETC Securities outstanding (determined on an outstanding (actual) basis) who for the time being are entitled to receive notice of a meeting held in accordance with these provisions shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Securityholders duly convened and held in accordance with these provisions. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Securityholders.
- 30** If ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the ETC Securities require, a copy of each resolution passed shall be published by the Issuer in the German electronic Federal Gazette (*elektronischer Bundesanzeiger*) and on the website maintained for the Issuer.

Minutes

- 31** Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
- 32** If ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the ETC Securities require, a copy of the minutes shall be notarised by a notary.

Trustee's Power to Prescribe Regulations

- 33** Subject to all other provisions in the relevant Trust Deed and any laws and regulations applicable to the relevant Series of ETC Securities, the Trustee may, without the consent of the Securityholders, prescribe such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines including (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with the relevant Trust Deed are entitled to do so and as to the form of voting certificates or block voting instructions so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so.
- 34** The foregoing provisions of this Annex shall have effect subject to the following provisions:
- 34.1** Meetings of Securityholders of separate Series will normally be held separately. However, the Trustee may, from time to time, determine that meetings of Securityholders of separate Series shall be held together.
- 34.2** A resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the Securityholders of the Series concerned.

- 34.3 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series but does not give rise to a conflict of interest between the Securityholders of the different Series concerned shall only be deemed to have been duly passed if passed at a single meeting of the Securityholders of the relevant Series, provided that, for the purposes of determining the votes a Securityholder is entitled to cast pursuant to paragraph 27, each Securityholder shall have one vote in respect of each ETC Security held.
- 34.4 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series and gives or may give rise to a conflict of interest between Securityholders of the different Series concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Securityholders of the relevant Series.
- 34.5 To all such meetings as aforesaid, all the preceding provisions of this Annex shall *mutatis mutandis* apply as though references therein to ETC Securities and to Securityholders were references to the ETC Securities and Securityholders of the Series concerned.]

[If Uncertificated Registered Securities, text will apply or be inserted –

Interpretation

1 In this Annex:

- 1.1 references to a meeting are to a meeting of Securityholders of a single series of ETC Securities and include, unless the context otherwise requires, any adjournment of such meeting;
- 1.2 references to “ETC Securities” and “Securityholders” are only to the ETC Securities of the relevant Series in respect of which a meeting has been, or is to be, called and to the holders of these ETC Securities, respectively;
- 1.3 “**agent**” means a holder of a voting certificate or a proxy for, or representative of, a Securityholder; and
- 1.4 references to persons representing a proportion of the ETC Securities are to Securityholders or agents holding or representing in the aggregate at least that proportion in number of the ETC Securities for the time being outstanding.

Powers of Meetings

2 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by the relevant Trust Deed, have power by Extraordinary Resolution:

- 2.1 to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Securityholders against the Issuer, whether or not those rights arise under the relevant Trust Deed or the relevant Security Deed;
- 2.2 to sanction the exchange or substitution for the ETC Securities of, or the conversion of the ETC Securities into, shares, bonds or other obligations or securities of the Issuer or any other entity;
- 2.3 to assent to any modification of the relevant Trust Deed, the relevant Security Deed or the ETC Securities proposed by the Issuer or the Trustee;
- 2.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 2.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 2.6 to appoint any persons (whether Securityholders or not) as a committee or committees to represent the Securityholders’ interests and to confer on them any powers or discretions which the Securityholders could themselves exercise by Extraordinary Resolution;
- 2.7 to approve a proposed new Trustee and to remove a Trustee;
- 2.8 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the relevant Trust Deed and the relevant Security Deed; and
- 2.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under the relevant Trust Deed or the ETC Securities,

provided that the special quorum provisions in paragraph 11 shall apply to any Extraordinary Resolution (a “**special quorum resolution**”) for the purpose of sub-paragraph 2.2 or 2.8, any of the proposals listed in Condition 16(a) as being subject to a special quorum resolution or any amendment to this proviso.

Convening a Meeting

- 3 The Issuer or the Trustee may at any time convene a meeting. If it receives a written request by Securityholders holding at least 5 per cent. in number of the ETC Securities of any Series for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Securityholders of that Series. Every meeting shall be held at a time and place approved in writing by the Trustee.
- 4 At least 21 calendar days' prior notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Securityholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of the meeting and, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall explain how Securityholders may appoint proxies or representatives and the details of the time limits applicable.

Arrangements for Voting

- 5 A holder of an Uncertificated Registered Security may, by an instrument in writing in the form available from the specified office of the Registrar or the Transfer Agent (as the case may be) in the English language executed by or on behalf of the holder and delivered to the Registrar or the Transfer Agent (as the case may be) at least 48 hours before the time fixed for a meeting, appoint any person (a "**proxy**") to act on his behalf in connection with that meeting. A proxy need not be a Securityholder.
- 6 A corporation which holds an Uncertificated Registered Security may by delivering to the Registrar or the Transfer Agent (as the case may be) at least 48 hours before the time fixed for a meeting a certificated copy of a resolution of its directors or other governing body (with, if it is not in English, a certified translation into English) authorise any person to act as its representative (a "**representative**") in connection with that meeting.
- 7 Any proxy or sub-proxy so appointed or representative so appointed shall, so long as such appointment remains in full force, be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Securityholders, to be the holder of the Uncertificated Registered Securities to which such appointment relates and the holder of the ETC Securities shall be deemed for such purposes not to be the holder or owner, respectively.

Chairman

- 8 The chairman of a meeting shall be such person as the Trustee may nominate in writing, but, if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting, the Securityholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Securityholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

- 9 The following may attend and speak at a meeting:
 - 9.1 Securityholders and agents and their proxies or representatives;
 - 9.2 the chairman;
 - 9.3 the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers;

- 9.4 the Lead Authorised Participant and the relevant Authorised Participant(s) in respect of the relevant Series of ETC Securities and their respective legal and financial advisers; and
- 9.5 the Programme Swap Counterparty, the Swap Counterparty and any Credit Support Provider of the Swap Counterparty relating to the relevant Series of ETC Securities and their respective legal and financial advisers.

No one else may attend or speak.

Quorum and Adjournment

- 10 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Securityholders or if the Issuer and the Trustee agree, be dissolved. In any other case, it shall be adjourned until such date, not less than 14 nor more than 42 calendar days later, and time and place as the chairman may decide (the “**adjourned meeting**”). If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

11

- 11.1 At a meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 50 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such meeting (other than an adjourned meeting or a meeting convened for the purpose of passing a special quorum meeting).
- 11.2 At a meeting convened for the purpose of passing a special quorum resolution, the quorum shall be one or more Securityholders or agents present in person holding or representing in the aggregate not less than 75 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding.
- 11.3 At an adjourned meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 25 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such adjourned meeting (including, for the avoidance of doubt, any special quorum resolution).
- 12 The chairman may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph 12 or paragraph 10.
- 13 At least 14 calendar days’ prior notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

Voting

- 14 Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, the Trustee or one or more persons representing 2 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding (determined on an outstanding (actual) basis).

- 15 A resolution (other than a special quorum resolution or an Extraordinary Resolution) shall only be passed at a meeting if one or more Securityholders or agents holding or representing in aggregate not less than 50 per cent. of the votes cast at the meeting vote in favour of passing such resolution.
- 16 Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against it.
- 17 If a poll is demanded, it shall be taken in such manner and (subject as provided in paragraph 18) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 18 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 19 On a show of hands, every person who is present in person and who is a proxy or representative has one vote. On a poll every such person has one vote in respect of each ETC Security of such Series of ETC Securities for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

Effect and Publication of an Extraordinary Resolution

- 20 An Extraordinary Resolution shall be binding on all the Securityholders, whether or not present at the meeting and each of them shall be bound to give effect to it accordingly. The passing of an Extraordinary Resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Securityholders within 14 calendar days but failure to do so shall not invalidate such an Extraordinary Resolution.
- 21 A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of ETC Securities outstanding (determined on an outstanding (actual) basis) who for the time being are entitled to receive notice of a meeting held in accordance with these provisions shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Securityholders duly convened and held in accordance with these provisions. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Securityholders.

Minutes

- 22 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Trustee's Power to Prescribe Regulations

- 23 Subject to all other provisions in the relevant Trust Deed and any laws and regulations applicable to the relevant Series of ETC Securities, the Trustee may, without the consent of the Securityholders, prescribe such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines including (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with the relevant Trust Deed are entitled to do so and so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so.

24 The foregoing provisions of this Annex shall have effect subject to the following provisions:

- 24.1 Meetings of Securityholders of separate Series will normally be held separately. However, the Trustee may, from time to time, determine that meetings of Securityholders of separate Series shall be held together.
- 24.2 A resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the Securityholders of the Series concerned.
- 24.3 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series but does not give rise to a conflict of interest between the Securityholders of the different Series concerned shall only be deemed to have been duly passed if passed at a single meeting of the Securityholders of the relevant Series, provided that, for the purposes of determining the votes a Securityholder is entitled to cast pursuant to paragraph 19, each Securityholder shall have one vote in respect of each ETC Security held.
- 24.4 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series and gives or may give rise to a conflict of interest between Securityholders of the different Series concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Securityholders of the relevant Series.
- 24.5 To all such meetings as aforesaid, all the preceding provisions of this Annex shall *mutatis mutandis* apply as though references therein to ETC Securities and to Securityholders were references to the ETC Securities and Securityholders of the Series concerned.]

Annex 2 to the Master Terms and Conditions of the ETC Securities

1 Eligible Collateral in the Form of Eligible Financial Instruments

Pursuant to the terms of the Credit Support Deed, the following forms of financial instruments (other than such financial instruments issued by the Swap Counterparty or any of its Affiliates) may, subject to satisfaction of the eligibility conditions described below, constitute Eligible Financial Instruments and Eligible Collateral for the purposes of the Credit Support Deed:

(a) Common Stock and Preference Shares

The Swap Counterparty may transfer to the Issuer common stock and preference shares provided that on any Scheduled Valuation Day:

- (i) such common stock or preference shares are (i) listed on a recognised exchange in any of the countries listed in the table in Section 2 of this Annex and (ii) a constituent of any of the “Eligible Indices” in respect of OECD countries listed in the table in Section 2 of this Annex. For these purposes the Swap Counterparty and the Issuer may assume if the common stock or preference share is a constituent of any of the indices listed below, that it is listed on a recognised exchange, unless it has information to the contrary;
- (ii) the Value of any Posted Collateral comprising any single common stock or preference share may not exceed 3 per cent. of the market capitalisation of such common stock or preference share of the issuer;
- (iii) the Value of Posted Collateral comprising common stock and preference shares may not exceed U.S.\$100 million per issuer;
- (iv) no security forming part of the Posted Collateral may have a size larger than five times the 90-day average trading volume; and
- (v) the Value of any Posted Collateral comprising common stock and preference shares issued by a single issuer may not exceed 10 per cent. of the aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day.

(b) Global Depositary Receipts (“GDRs”) and American Depositary Receipts (“ADRs”)

The Swap Counterparty may transfer to the Issuer GDRs and ADRs provided that on any Scheduled Valuation Day:

- (i) the Value of any Posted Collateral comprising any single GDR or ADR may not exceed 3 per cent. of the market capitalisation of such GDR/ADR;
- (ii) the Value of Posted Collateral comprising GDRs or ADRs may not exceed U.S.\$100 million per issuer;
- (iii) no GDR or ADR forming part of the Posted Collateral may have a size larger than five times the 90-day average trading volume calculated on a ratio of 1 ADR/GDR to the underlying equity;
- (iv) the Value of any Posted Collateral comprising GDRs/ADRs of a single entity may not exceed 5 per cent. of the aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day; and
- (v) each GDR and ADR must (I) be, or relate to equities, listed on a recognised exchange in any of the countries listed in the table in Section 2 of this Annex and (II) be a constituent of any of the indices in respect of OECD countries as set out in the table in Section 2 of this

Annex or relate to equities which are constituents of any of the indices in respect of OECD countries as set out in the table in Section 2 of this Annex. For these purposes, the Issuer and the Swap Counterparty may assume that, if the GDR or ADR, or the underlying equity of such GDR or ADR, is a constituent of any of the indices listed in the table in Section 2 of this Annex, it will be listed on a recognised exchange, unless it has information to the contrary.

(c) **Convertible Bonds**

The Swap Counterparty may transfer to the Issuer convertible bonds provided that on any Scheduled Valuation Day:

- (i) the Value of any Posted Collateral comprising a single convertible bond may not exceed 3 per cent. of the outstanding issue size/market capitalisation of the relevant security;
- (ii) the Value of Posted Collateral comprising convertible bonds may not exceed U.S.\$100 million per issuer;
- (iii) the issuer of the convertible bond must be incorporated in one of the OECD countries listed in the table in Section 2 of this Annex;
- (iv) the issuer of the convertible bond must be the same entity as the issuer of the common stock into which the convertible bond may convert;
- (v) the Value of any Posted Collateral comprising convertible bonds of a single entity may not exceed 5 per cent. of the aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day; and
- (vi) the common stock into which the convertible bond may be converted must be (I) listed on a recognised exchange in any of the countries listed in the table in Section 2 of this Annex and (II) a constituent of any of the indices in respect of OECD countries listed in the table in Section 2 of this Annex. The Issuer and the Swap Counterparty may assume that if the common stock in which such convertible bond may be converted, is a constituent of any of the indices listed in the table in Section 2 of this Annex, it is listed on a recognised exchange, unless it has information to the contrary.

(d) **Convertible Preferred Stocks**

The Swap Counterparty may transfer to the Issuer convertible preferred stock provided that on any Scheduled Valuation Day:

- (i) the Value of any Posted Collateral comprising a single convertible preferred stock may not exceed 3 per cent. of the outstanding issue size/market capitalisation of the relevant security;
- (ii) the Value of Posted Collateral comprising convertible preferred stock may not exceed U.S.\$100 million per issuer;
- (iii) the Value of any Posted Collateral comprising convertible preferred stock of a single entity may not exceed 5 per cent. of aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day; and
- (iv) each common stock into which the convertible preferred stock may be converted must be (I) listed on a recognised exchange in any of the countries listed in the table in Section 2 of this Annex and (II) a constituent of any of the indices in respect of OECD countries listed in the table in Section 2 of this Annex. The Issuer and the Swap Counterparty may assume that, if the common stock in which such convertible preferred stock may be converted is a

constituent of any of the indices listed in the table in Section 2 of this Annex, it is listed on a recognised exchange, unless it has information to the contrary.

(e) **Government Bonds**

The Swap Counterparty may transfer to the Issuer fixed income government bonds provided that on any Scheduled Valuation Day:

- (i) the issuer is a stripped or unstripped government and sovereign, supranational, stripped and unstripped government agency of an OECD country listed in the table in Section 2 of this Annex;
- (ii) the bonds are rated BBB+/Baa1 or above. Where the respective ratings of Moody's and S&P are not equivalent to each other, reference will be made to the higher of the two;
- (iii) the Value of any Posted Collateral comprising government bonds of a single issuer may not exceed 30 per cent. of the aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day;
- (iv) the Value of any Posted Collateral comprising a single government bond may not exceed 20 per cent. of the aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day; and
- (v) Italian Bonds (including Supranational bonds issued in Italy ("IT" ISIN)) and Japanese Government Bonds may only constitute Eligible Collateral if tax documentation acceptable to the Issuer and the Custodian has been received from the Swap Counterparty prior to any transfer to the Issuer.

(f) **Corporate Bonds**

The Swap Counterparty may transfer to the Issuer fixed income corporate bonds provided that on any Scheduled Valuation Day:

- (i) the issuer is a company incorporated in one of the OECD countries listed in the table in Section 2 of this Annex;
- (ii) the bonds are rated BBB/Baa2 or above. Where the respective ratings of Moody's & S&P are not equivalent to each other, reference will be made to the higher of the two;
- (iii) the Value of any Posted Collateral comprising bonds of a single issuer may not exceed 10 per cent. of the aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day; and
- (iv) the Value of any Posted Collateral comprising a single corporate bond may not exceed 5 per cent. of the aggregate Value of all Posted Collateral as at the immediately preceding Scheduled Valuation Day.

2 Eligible Countries and Eligible Indices

Eligible Countries	Eligible Indices
Austria	Austrian Traded ATX index, ATX prime
Australia	Australian All Ordinaries Index, ASX20, ASX200
Belgium	BEL20 Index
Canada	S&P Toronto Stock Exchange Composite Index, S&P TSX60 Index

Czech Republic	Prague Stock Exchange
Denmark	KFMX Index, Copenhagen Mid Cap Index
Finland	OMX Helsinki (OMXH), OMX Helsinki 25 (OMXH25)
France	CAC40 Index, SBF 80, SBF 120, SBF 250, Second Marche Index
Germany	DAX30 Index, HDAX, CDAX Performance
Greece	ASE General Index
Hungary	Budapest Stock Exchange
Italy	Milan MIB30 Index, MIBTEL
Ireland	Irish Overall Index
Japan	NIKKEI 225, Nikkei 300, TOPIX, JASDAQ
Luxembourg	LuxX Index
Netherlands	Amsterdam Exchanges Index, Amsterdam Midcap Index
New Zealand	NZX Top 50 Index
Norway	OBX Stock Index, OSE All Share Index
Poland	WSE WIG Index
Portugal	PSI 20 Index
South Korea	KOSPI
Spain	IBEX 35 / Spain MA Madrid Index
Sweden	OMXS30 Index
Switzerland	Swiss Market Index, SPI
Turkey	Turkey Stock Market National 100
UK	FTSE100, 250, 350 Index, FTSE ALL SHARE, FTSE Aim
USA	S&P 100, 500, Russell 1000, 2000 Index, DIJA, NASDAQ 100, Russell 3000, NYSE COMP, NASDAQ COMP

3 Value of Eligible Collateral

(a) **Value**

Pursuant to the terms of the Credit Support Deed, subject to Section 4 of this Annex, the value (the “**Value**”) with respect to any asset (other than cash) comprising Eligible Collateral and/or Posted Collateral for any Scheduled Valuation Day, as applicable, will be an amount determined by the Determination Agent acting in its capacity as valuation agent (the “**CSD Valuation Agent**”):

(i) if in the form of Eligible Financial Instruments, equal to the Base Currency Equivalent of the bid price obtained by the CSD Valuation Agent for the relevant Eligible Financial Instrument in respect of the relevant valuation date multiplied by the applicable Valuation Percentage; or

(ii) if in the form of Gold, the Base Currency Equivalent of the amount equal to the product of (a) the weight in fine troy oz of the relevant quantity of such Gold, (b) the Gold Price in respect of the relevant valuation date and (c) the Valuation Percentage.

For these purposes:

"Base Currency" means, for so long as the Posted Collateral comprises Gold, USD and if the Posted Collateral comprises Eligible Financial Instruments, the currency in which the ETC Securities are denominated.

"Base Currency Equivalent" means, with respect to an amount on a Scheduled Valuation Day, in the case of an amount denominated in the Base Currency, such amount in such currency and, in the case of an amount in a currency other than the Base Currency (the **"Other Currency"**), the amount in the Base Currency required to purchase such amount of the Other Currency at the spot exchange rate published on the relevant Bloomberg Page (or any successor page thereto) for the close of business on the immediately preceding London Business Day as determined by the CSD Valuation Agent (or if no such rate appears on the relevant Bloomberg Page at the relevant time the spot exchange rate shall be the rate determined by the Swap Counterparty in good faith and in a commercially reasonable manner, provided that if the Swap Counterparty does not so determine the relevant rate and notify the CSD Valuation Agent thereof within the time required by the CSD Valuation Agent for it to make the necessary determinations and calculations under the Credit Support Deed, the CSD Valuation Agent will use the rate last published on the relevant Bloomberg Page (or any successor page thereto)).

"Gold Price" means in respect of any Scheduled Valuation Day, the price for Gold (expressed in USD as a price per fine troy oz) published on or about 15:00 London time on the immediately preceding London Business Day by the LBMA on the Gold Fixings page of the LBMA's website (or any successor page thereto determined by the Programme Swap Counterparty and notified to the Issuer, the Swap Counterparty and the CSD Valuation Agent) provided that, if no such price appears on the Gold Fixings page of the LBMA's website (or any successor page thereto) in respect of such Scheduled Valuation Day, the Gold Price in respect of such Scheduled Valuation Day shall be deemed to be equal to the most recently published price for Gold (expressed in USD as a price per fine troy oz) on the Gold Fixings page of the LBMA's website or the relevant successor page thereto, as applicable, provided further that, if the LBMA screen page (or such successor screen page thereto) ceases to exist or the LBMA ceases to publish the relevant price for Gold and the Programme Swap Counterparty determines that no such successor screen page exists the Gold Price for such Scheduled Valuation Day shall be determined by the Swap Counterparty (expressed in USD as a price per fine troy oz) in good faith and notified to the Issuer, the Programme Swap Counterparty and the CSD Valuation Agent. If the Swap Counterparty does not so determine the Gold Price and notify the CSD Valuation Agent thereof within the time required by the CSD Valuation Agent for it to make the necessary determinations and calculations under the Credit Support Deed, the CSD Valuation Agent shall use the Gold Price last determined in respect of a Scheduled Valuation Day for the purposes of the Credit Support Deed.

(b) **Valuation Percentage**

Pursuant to the terms of the Credit Support Deed, the valuation percentage (the **"Valuation Percentage"**) in relation to any item of Eligible Collateral will be the percentage specified for such Eligible Collateral in the Credit Support Deed as follows:

Eligible Collateral	Valuation Percentage (per cent.)
Gold	100

Common stock and preference shares	83.33
Global depository receipts and American depository receipts	83.33
Convertible bonds	83.33
Convertible preferred stocks	83.33
Government bonds	100
Corporate bonds	86.96

4 Identification of Eligible Collateral

If in respect of any Scheduled Valuation Day, the CSD Valuation Agent determines that any financial instrument does not constitute Eligible Collateral (including any financial instrument(s) which form all or part of the Posted Collateral which is not, or ceases to be, Eligible Collateral pursuant to the eligibility conditions in Section 1 of this Annex), such financial instrument(s) will not be included in the calculation of the Value of the Posted Collateral in respect of such Scheduled Valuation Day. The CSD Valuation Agent will immediately notify the Swap Counterparty that the relevant financial instrument(s) does not constitute Eligible Collateral in respect of a Scheduled Valuation Day and, provided that no Swap Counterparty Event of Default or Swap Counterparty Termination Event has occurred, the Swap Counterparty will be entitled under the terms of the Credit Support Deed to demand the return of such financial instruments.

At any time prior to the security under the Credit Support Deed becoming enforceable, if in respect of any Scheduled Valuation Day, the CSD Valuation Agent determines that cash is being held or has been received by or on behalf of the Issuer in respect of the Posted Collateral (including, without limitation, any cash amount received by the Issuer (or the Custodian on behalf of the Issuer) in connection with the payment of interest, a dividend or other distribution in respect of Posted Collateral in the form of Eligible Financial Instruments or in connection with the redemption of any Eligible Financial Instrument comprising Posted Collateral), such cash amount will not be included in the calculation of the Value of the Posted Collateral in respect of such Scheduled Valuation Day. The CSD Valuation Agent will notify the Swap Counterparty of any cash amount comprising in the Posted Collateral in respect of a Scheduled Valuation Day and provided that no Swap Counterparty Event of Default or Swap Counterparty Termination Event has occurred, the Swap Counterparty will be entitled under the terms of the Credit Support Deed to demand the payment of such cash amount to it.

FURTHER INFORMATION CONCERNING CERTAIN TRANSACTION DOCUMENTS

The following is a summary of certain provisions of certain Transaction Documents relating to the Programme and the ETC Securities and should be read in conjunction with the rest of this Base Prospectus. The summaries below are of certain provisions of the Transaction Documents and do not purport to be complete and are subject to the detailed provisions of the relevant Transaction Documents.

Capitalised terms used in the summaries below but not defined therein shall have the meanings given to such terms in Conditions.

Issue Deed

The Issue Deed relating to a Series of ETC Securities will be dated on or about the Series Issue Date of such ETC Securities and will be entered into by the Issuer, the Trustee and the other parties named therein. The Issue Deed is entered into for the purpose of constituting and securing the relevant Series of ETC Securities and sets out the terms of the Transaction Documents relating to such Series of ETC Securities. Under the terms of the Issue Deed relating to a Series of ETC Securities, the execution of the Issue Deed will constitute the Trust Deed, the Security Deed, the Agency Agreement, the Custody Agreement, the Determination Agent Agreement, the Authorised Participant Agreement, the Swap Agreement and the Credit Support Deed for such Series of ETC Securities on the terms set out in the Issue Deed.

Trust Deed

Provisions Relating to the Issuer and the Trustee

The Trust Deed relating to a Series of ETC Securities will be entered into as a deed by the Issuer, the Trustee and each other party thereto upon the execution of the Issue Deed. The Issue Deed will incorporate and may amend and/or supplement, depending on whether the ETC Securities are Bearer Securities or Uncertificated Registered Securities, either the Master Trust Terms for Bearer Securities or the Master Trust Terms for Uncertificated Registered Securities. The relevant Trust Deed contains the provisions setting out the various obligations of the Issuer and the Trustee with respect to the relevant Series of ETC Securities. Each Trust Deed relating to a Series of ETC Securities in bearer form will be governed by and construed in accordance with English law. Each Trust Deed relating to a Series of ETC Securities in uncertificated dematerialised form will be governed by and construed in accordance with Jersey law.

The relevant Trust Deed will constitute the ETC Securities of the relevant Series and will set out the covenants of the Issuer, including, *inter alia*, its covenant to pay, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated within the relevant Trust Deed (most importantly, in relation to the issue of the ETC Securities) and its duties with respect to its obligations under the ETC Securities.

Each Trust Deed will also set out the basis for the remuneration and indemnification of the Trustee in respect of its duties, the conditions for appointment, retirement and removal and contains provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties. The Trustee in respect of a Series of ETC Securities may resign upon giving not less than 60 calendar days' prior written notice to the Issuer, and the Securityholders may by Extraordinary Resolution remove any Trustee, provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If the sole trust corporation in respect of a Series of ETC Securities gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that

another trust corporation is appointed as the Trustee for such Series but if it fails to do so before the expiry of such 60 calendar day notice period, the Trustee will have the power to appoint a new Trustee.

Security Deed

By executing the relevant Issue Deed, the Issuer and the Trustee will be deemed to have entered into an English law governed security deed in relation to the relevant Series of ETC Securities on the terms set out in the relevant version of the Master Security Terms as amended or supplemented by such Issue Deed. The Security in respect of a Series of ETC Securities is constituted pursuant to the Security Deed relating to such Series and the Security Deed will set out, *inter alia*, provisions relating to the creation and enforcement of the Security, the appointment of receivers, the rights of the Trustee in relation to Secured Property and provisions relating to the application of the net proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement). See Condition 6 for a description of the terms of the Security.

Agency Agreement

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into an English law governed agency agreement in relation to the ETC Securities on the terms set out in the relevant version of the Master Agency Terms as amended or supplemented by such Issue Deed with each person executing the Issue Deed in the capacity of Issuing and Paying Agent, Determination Agent, Trustee, Paying Agent, Registrar and Transfer Agent (as applicable). The Agency Agreement sets out the duties and obligations of the Issuing and Paying Agent, each other Paying Agent (as applicable) and, if applicable, the Transfer Agent and the Registrar in relation to (i) the issue, payment, replacement, cancellation and listing of the ETC Securities, (ii) the exchange of Global Securities for Definitive Securities (if applicable), and (iii) the basis for the remuneration and indemnification of such agents in respect of their respective duties. The Agency Agreement also sets out the terms for the appointment, resignation (by at least 60 calendar days' prior notice to the Issuer, the Trustee and the Issuing and Paying Agent) and termination of the appointment of the Issuing and Paying Agent and, as applicable, any Paying Agent, the Registrar and any Transfer Agent (by at least 60 calendar days' prior notice from the Issuer or on the occurrence of certain events, such as where such agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

Custody Agreement

By executing the relevant Issue Deed, the Issuer, the Trustee, the Programme Swap Counterparty, the Determination Agent and the Custodian will be deemed to have entered into an English law governed custody agreement in relation to the ETC Securities on the terms set out in the relevant version of the Master Custody Terms as amended or supplemented by such Issue Deed. Each Custody Agreement sets out the duties of the Custodian in relation to the relevant Series of ETC Securities, including, *inter alia*:

- (i) the obligation to establish and maintain one or more segregated account(s) or sub-account(s) in the name of the Issuer referencing the relevant Series of ETC Securities for the deposit of securities, commodities, metals and/or any other property to be held on trust for the Issuer in relation to such Series of ETC Securities as the Custodian deems appropriate for the relevant property provided;

- (ii) to segregate property transferred to it by the Swap Counterparty or keep any property deposited pursuant to the relevant Custody Agreement separately identified from that deposited with it in relation to any other Series of ETC Securities; and
- (iii) to maintain separate cash accounts in the name of the Issuer referencing the relevant Series for any and all cash received by it in connection with any property so deposited.

Each Custody Agreement relating to a Series of ETC Securities provides, *inter alia*, that the Custodian will use all reasonable care in the performance of its duties but it will not be responsible for any loss or damage suffered by any party as a result of the Custodian performing its duties under the Custody Agreement unless such loss or damage results from the fraud, bad faith, negligence or wilful default of the Custodian. None of the Custodian or any Sub-Custodian will have any obligation towards or relationship of agency or trust with the holder of any ETC Security.

Pursuant to the terms of each Custody Agreement, the Custodian waives any right it has to acquire, combine, consolidate or merge any of the accounts established and maintained by it in relation to the relevant Series of ETC Securities with any other account and agrees that it may not set-off, transfer, combine, consolidate or withhold delivery of any property standing to the credit of any such account towards any liabilities to it.

Each Custody Agreement relating to a Series of ETC Securities provides that the Custodian may hold property received, delivered or deposited with it in relation to a Series of ETC Securities with any of its offices or branches or with any sub-custodian (selected with reasonable skill, care and diligence) provided that the Custodian, *inter alia*:

- (i) identifies such property in its books; and
- (ii) in the case of Gold, uses reasonable endeavours to procure that any such sub-custodian establishes and maintains one or more segregated account(s) or sub-account(s) in the name of the Custodian referencing the Issuer and the relevant Series of ETC Securities and the relevant Swap Counterparty; acknowledges and agrees that all property deposited with or received by it is to be held on trust for the Custodian; maintains full and complete records and separately identifies such property in its books and records; acknowledges the security in favour of the Trustee, and agrees to act in accordance with the directions of the Issuer upon receipt of notice that the appointment of the Custodian has been terminated; and
- (iii) in the case of Eligible Financial Instruments, use reasonable endeavours to ensure that any such sub-custodian or other account keeper or clearing system will (to the extent permitted by law and/or what the Custodian reasonably believes to be local banking practice) identify such property in its books as held for the account of the customers of the Custodian and be distinguished on such books from the securities of the same type as such Eligible Financial Instruments held on behalf of persons other than the Custodian's customers or the Custodian.

Each Custody Agreement relating to a Series of ETC Securities will set out the basis for the remuneration and indemnification of the Custodian in respect of its duties. The relevant Custody Agreement will set out the conditions for appointment, resignation (upon 60 calendar days' prior notice to the Issuer, the Trustee, the Issuing and Paying Agent and any relevant Swap Counterparty) and termination of the appointment of the Custodian (by the Issuer upon 60 calendar days' prior notice or automatically upon the occurrence of a Custodian Bankruptcy Event).

Pursuant to the terms of the Custody Agreement, the Custodian has no duty or obligation to insure any property held or received by it for the Issuer against any risk (including the risk of theft, loss, damage, destruction or misdelivery). The Custodian will not be liable for any loss, destruction or depreciation in the value of any Posted Collateral or Secured Property held or received by it or any income therefrom unless such loss, destruction or depreciation is the direct result of the Custodian's negligence, fraud, bad

faith or wilful misconduct. The Custodian is not responsible for the acts, omissions, defaults or insolvency of any third party including, but not limited to, any Sub-Custodian, clearing system, securities depository, broker, counterparty or issuer of any Posted Collateral or Secured Property. The Custodian is only responsible for losses suffered by the Issuer as a direct result of its negligence, fraud, bad faith or wilful default in the appointment and monitoring of any non-affiliated Sub-Custodian or nominee. Otherwise, the Custodian will not be liable for any act or omission, or for the solvency, of any non-affiliated Sub-Custodian or nominee. Notwithstanding the foregoing, the Custodian accepts the same level of responsibility as it does for itself for companies controlled by it whose business consists solely of acting as a nominee holder of investments or other property in respect of any requirements of the rules of the FCA as set out in the FCA Handbook as amended, varied or instituted from time to time as from time to time in effect. In the case of any act or omission on the part of a Sub-Custodian or its agent relating to Posted Collateral in the form of Gold, which the Issuer considers to involve negligence, fraud, bad faith or wilful default on the part of such Sub-Custodian or agent, the Custodian agrees to assign to the Issuer any rights it may have in respect of such act or omission and any Gold comprising the Posted Collateral. In the event that the Issuer obtains legal advice that such assignment would be ineffective to enable the Issuer to pursue its claim, then the Custodian may, subject to being prefunded, indemnified or secured to its satisfaction, claim and pursue the appropriate damages or compensation from the Sub-Custodian or agent on the Issuer's behalf.

The Custodian will not be liable in respect of anything done or suffered by it in reliance on any instruction, notice, agreement or other document or information from any electronic or other source reasonably believed by it to be genuine and to have been signed or otherwise given or disseminated by the proper parties in each case received by it in connection with the performance of its duties under the Custody Agreement. The Custodian is entitled to rely, in the absence of manifest error, upon the accuracy and completeness of information supplied to it by any party pursuant to the Custody Agreement and has no obligation to enquire as to the adequacy, accuracy or sufficiency of any such information and the Custodian will not incur any liability to any person as a result of such reliance. The Custodian has no obligation to notify anyone of the execution of the Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, or a Potential Event of Default or an Early Redemption Event has occurred or if the Security and/or the security created under the Credit Support Deed has become enforceable. Until it has actual knowledge or express notice to the contrary, the Custodian may assume that no such event has occurred and that the Issuer and all other Transaction Parties are performing all their respective obligations under the ETC Securities and the other Transaction Documents. The Custodian is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary. The Custodian will not be responsible for any errors made by the Issuer, the Trustee, the Determination Agent, the Swap Counterparty or any Liquidation Agent or any other Transaction Party or any agent thereof in giving instructions or for the negligence, default, fraud, bad faith, wilful default or other failure of any of them.

Determination Agent Agreement

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into an English law governed determination agent agreement in relation to the relevant Series of ETC Securities on the terms set out in the relevant version of the Master Determination Agent Terms, as amended or supplemented by such Issue Deed with the persons executing the Issue Deed in the capacity of Determination Agent, Programme Swap Counterparty, Lead Authorised Participant, Swap Counterparty, Custodian, Trustee and Issuing and Paying Agent. The Determination Agent Agreement sets out the respective duties and obligations of the Determination Agent and the Programme Swap Counterparty in relation to the relevant Series of ETC Securities and the basis for their respective liability, remuneration

and indemnification. Each Determination Agent Agreement sets out the conditions for appointment, resignation and termination of the Determination Agent and the Programme Swap Counterparty.

The Issuer may at any time vary the appointment of the Determination Agent or terminate the appointment of any Determination Agent relating to a Series of ETC Securities on giving the Determination Agent (copied to each other Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) not less than 60 calendar days' prior notice to that effect. Any variation in the appointment of the Determination Agent will not be effective unless the Determination Agent has consented to such variation. Notwithstanding the foregoing, the Issuer may, at any time, terminate the appointment of a Determination Agent with immediate effect if: (i) the Determination Agent commits any material breach of its obligations under the relevant Determination Agent Agreement and, to the extent such breach is capable of being remedied, the Determination Agent fails to cure such breach within 15 calendar days of its becoming aware of, or its receiving notice from the Issuer, the Trustee or the Programme Swap Counterparty of such breach or (ii) the Determination Agent commits any breach of its obligations under the relevant Determination Agent Agreement and, to the extent such breach is capable of being remedied, the Determination Agent fails to cure such breach within 30 calendar days of its becoming aware of, or its receiving notice from the Issuer, the Trustee or the Programme Swap Counterparty of such breach.

Under the Determination Agent Agreement the Issuer will authorise the Programme Swap Counterparty in its capacity as the Issuer's agent to exercise the rights of the Issuer to terminate the appointment of the Determination Agent in respect of the relevant Series of ETC Securities pursuant to the preceding paragraph, provided that the Programme Swap Counterparty can only exercise such rights on behalf of the Issuer where the Programme Swap Counterparty (i) reasonably determines that the Determination Agent is not performing its duties and obligations under the Relevant Provisions on the terms expressly provided therein, (ii) has reasonable cause to believe that the Determination Agent will not perform or will not be able to perform its duties and obligations under the Relevant Provisions on the terms expressly provided therein; and/or (iii) the Determination Agent indicates that it has not been or will not be able to perform its duties and obligations under the Relevant Provisions on the terms expressly provided therein. The Programme Swap Counterparty will not be liable to the Issuer, the Securityholders, any Transaction Party or any other person for any calculations, determinations (or any delay in making any calculation or determination), actions or omissions made by the Programme Swap Counterparty in connection with the performance of the duties and obligations of the Determination Agent pursuant to Condition 12(d)(ii) unless fraudulent or made in bad faith.

The Determination Agent in respect of a Series of ETC Securities (i) may resign its appointment at any time without giving any reason by giving the Issuer and the Transaction Parties at least 60 calendar days' prior notice to that effect and (ii) will be deemed to have given a notice of resignation on the 30th calendar day after the date of any Posted Collateral Substitution Notice copied to it in connection with which Posted Collateral in the form of Gold is to be substituted for Posted Collateral in the form of Eligible Financial Instruments, unless the Determination Agent expressly confirms in writing that it wishes to continue with its appointment under the relevant Determination Agent Agreement and such resignation will be effective on the 60th calendar day after the date on which such notice of resignation was deemed to have been given.

Without prejudice to the automatic termination of a Determination Agent in connection with a Determination Agent Bankruptcy Event or the termination of the appointment of the Determination Agent at the end of the 60 calendar day notice period pursuant to the circumstances described in (ii) of the preceding paragraph, no resignation or termination of the appointment of a Determination Agent will take effect until a replacement Determination Agent (which will be a reputable entity that provides administration and/or collateral management services of a similar type to those required of the Determination Agent under the relevant Determination Agent Agreement or a leading bank or investment

banking firm engaged in the interbank market, or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market) has been appointed; provided that if the Issuer fails within a period of 45 calendar days of notice of resignation given pursuant to paragraph (i) of the preceding paragraph to appoint a successor to such Determination Agent, the resigning Determination Agent will be entitled to select such an entity and provided such entity is acceptable to the Issuer and the Trustee the Issuer will appoint such entity as successor Determination Agent.

The appointment of a Determination Agent will terminate forthwith if a Determination Agent Bankruptcy Event occurs with respect to such Determination Agent.

The Programme Swap Counterparty in respect of a Series of ETC Securities may resign its appointment at any time without giving any reason by giving the Issuer and the Transaction Parties at least 60 calendar days' prior notice to that effect. Any such resignation of the Programme Swap Counterparty will not take effect until a replacement Programme Swap Counterparty (which is required to be a leading bank or investment banking firm engaged in the interbank market, or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market) has been appointed; provided that if the Issuer fails within a period of 30 calendar days from the date of the relevant notice of resignation by the Programme Swap Counterparty to appoint a successor to such Programme Swap Counterparty, the Programme Swap Counterparty is entitled to select a leading bank or investment banking firm engaged in the interbank market, or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market acceptable to the Issuer and the Trustee to act as successor Programme Swap Counterparty and the Issuer will appoint that bank or firm as the successor Programme Swap Counterparty.

The Programme Swap Counterparty will have no duties or responsibilities except those expressly set forth in the relevant Determination Agent Agreement, the Conditions and any Transaction Document to which it is a party and no implied or inferred duties or obligations of any kind will be read into the relevant Determination Agent Agreement against or on the part of the Programme Swap Counterparty. The Programme Swap Counterparty 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 Conditions, the Trust Deed or any other Transaction Document.

The Programme Swap Counterparty will not incur any liability to any person in acting upon any ETC Security, signature, or other document or information from any electronic or other source reasonably believed by it to be genuine and believed by it to have been signed or otherwise given or disseminated by the proper party or parties, in each case received by it in connection with the performance of its duties under the relevant Determination Agent Agreement.

The Programme Swap Counterparty has no obligation to notify anyone of the execution of the Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, or a Potential Event of Default or an Early Redemption Event (or any event which with the passing of time or the giving of a notice would constitute an Early Redemption Event) has occurred or if the Security and/or the security created under the Credit Support Deed has become enforceable. Until it has actual knowledge or express notice to the contrary, the Programme Swap Counterparty may assume that no such event has occurred and that the Issuer and all other Transaction Parties are performing all their respective obligations under the ETC Securities and the other Transaction Documents. The Programme Swap Counterparty is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary. The Programme Swap Counterparty will not be responsible for any errors made by the Issuer, the Trustee, the Determination Agent, the Swap Counterparty or any Liquidation Agent or any other Transaction Party or any agent thereof in giving instructions or for the negligence, default, fraud, bad faith, wilful default or other failure of any of them.

The Programme Swap Counterparty is not bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document received by it from the Issuer or any other Transaction Party.

The Programme Swap Counterparty will have no responsibility or liability for any Loss resulting from its being unable to perform any functions or obligations under the relevant Determination Agent Agreement if the same results from any law, regulation or requirement (whether or not having the force of law) of any central bank or governmental or other regulatory authority affecting it. Nothing in the relevant Determination Agent Agreement or in any other Transaction Document will require the Programme Swap Counterparty to take any action or refrain from taking any action if the same would be contrary to any applicable law, regulation or requirement of any central bank or government or other regulatory authority affecting it.

Authorised Participant Agreement

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into an English law governed authorised participant agreement in relation to the ETC Securities on the terms set out in the relevant version of the Master Authorised Participant Terms, as amended or supplemented by such Issue Deed with each person executing the Issue Deed in the capacity of Trustee, Issuing and Paying Agent, Swap Counterparty, Programme Swap Counterparty, Determination Agent, Lead Authorised Participant and Authorised Participant. The Authorised Participant Agreement sets out the provisions relating to the subscription by Authorised Participants of ETC Securities of the relevant Series and purchase of ETC Securities of such Series by the Issuer. The Authorised Participant Agreement also sets out the terms on which an Authorised Participant may offer, sell or deliver ETC Securities and contains certain representations, warranties and undertakings of the Authorised Participant in relation thereto. The Authorised Participant Agreement sets out the conditions for appointment, resignation (by at least 60 calendar days' prior notice to the Issuer and each other Transaction Party) and termination (by the Issuer with immediate effect if an Authorised Participant Bankruptcy Event occurs and in any other circumstance by at least 30 calendar days' prior notice, unless there are more than one Authorised Participants, in which case the Issuer may terminate the appointment of any Authorised Participant other than the Lead Authorised Participant with immediate effect for a material breach of its obligations which to the extent such breach is capable of being remedied is not remedied within 15 calendar days of the relevant Authorised Participant becoming aware of, or its receiving notice from the Issuer, the Determination Agent, the Issuing and Paying Agent, the Trustee or the Lead Authorised Participant of such breach or if the Issuer determines, in good faith and in a commercially reasonable manner, that the conduct of such Authorised Participant is detrimental to the reputation or development potential of the business of the Issuer or any other Transaction Party or the relationships of those entities with third parties). The Authorised Participant Agreement includes an indemnity from the Issuer relating to the representations and warranties given by the Issuer in such agreement.

Swap Agreements, Credit Support Deeds and Swap Transactions

General

By executing the relevant Issue Deed, the Issuer shall be deemed to have entered into a separate English law governed swap agreement and related credit support deed relating to the Series of ETC Securities specified in such Issue Deed, with the other party being the person executing such Issue Deed in the capacity of swap counterparty. As at the date of the Base Prospectus, the Swap Counterparty in respect of the Swap Agreement and the Credit Support Deed relating to a Series of ETC Securities is Deutsche Bank AG.

On the Series Issue Date, the Issuer will enter into the relevant Swap Transaction with the Swap Counterparty. In connection with each Tranche of ETC Securities of a Series issued after the Series Issue Date, the Issuer will, subject to the consent of the Swap Counterparty, increase the economic exposure under the relevant Swap Transaction by a *pro rata* amount.

The Swap Agreement will comprise an agreement in the form of the 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc. together with a Schedule thereto on the terms set out in the relevant version of the Master Swap and Credit Support Terms (as amended and/or supplemented by the relevant Issue Deed), together with a confirmation entered into thereunder, which evidences the relevant Swap Transaction and as such Swap Agreement may be amended, supplemented, novated or replaced from time to time.

Set out below are summaries of certain provisions of the Swap Agreement and the Credit Support Deed. Such summaries are qualified in their entirety by the terms of the Swap Agreement and the Credit Support Deed.

Payments

The Swap Agreement sets out certain payments from the Issuer to the Swap Counterparty and *vice versa*.

The obligations of the Issuer and the Swap Counterparty under the Swap Agreement relating to a Series of ETC Securities have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the ETC Securities.

Issuer Payments

The Swap Transaction relating to a Series of ETC Securities will be fully funded. This means that the Issuer makes an upfront payment to the Swap Counterparty. The Issuer's payments under the Swap Transaction relating to a Series of ETC Securities will be funded using the proceeds from the issues of the relevant ETC Securities.

On each occasion on which an additional Tranche of ETC Securities is issued, upon receipt by the Issuer of the related subscription proceeds and payment thereof by the Issuer to the Swap Counterparty, the economic exposure under the Swap Transaction will be increased by a *pro rata* amount upon receipt of such payment.

Swap Counterparty Payments

Under the Swap Transaction, an amount is payable by the Swap Counterparty on each occasion on which the Swap Transaction or the Swap Agreement is terminated. The Issuer will fund payments under the ETC Securities from payments it receives under the Swap Agreement and its ability to meet payments under the ETC Securities is entirely dependent on its receipt of such payments from the Swap Counterparty.

In connection with the purchase of ETC Securities of a Series by the Issuer, the Swap Transaction relating to such Series of ETC Securities will be terminated by a *pro rata* amount and an amount will be payable by the Swap Counterparty to the Issuer equal to (i) the Value per ETC Security for the immediately preceding Fee Calculation Reset Day, multiplied by the Closing Index Level as at the relevant Buy-Back Trade Date divided by the Closing Index Level as at the immediately preceding Fee Calculation Reset Day, and with the Accrued Fee being deducted from the result, multiplied by (ii) the number of ETC Securities being purchased by the Issuer, less (iii) any applicable Swap Unwind Costs.

On termination of the Swap Transaction in whole at the end of its scheduled term, an amount will be payable by the Swap Counterparty to the Issuer equal to (i) the Value per ETC Security for the immediately preceding Fee Calculation Reset Day, multiplied by (ii) the Average Redemption Closing Index Level divided by the Closing Index Level on the Fee Calculation Reset Day immediately preceding

the Final Redemption Valuation Date, and with the Accrued Fee being deducted from the result, multiplied by (iii) the number of ETC Securities outstanding as at such date (determined on an outstanding (actual) basis).

If a Swap Early Termination Date is designated under the Swap Agreement relating to a Series of ETC Securities for any reason, an amount will be payable by the Swap Counterparty to the Issuer equal to (i) the Value per ETC Security for the immediately preceding Fee Calculation Reset Day, multiplied by the Average Redemption Closing Index Level divided by the Closing Index Level on the Fee Calculation Reset Date immediately preceding the Early Redemption Valuation Date, and with the Accrued Fee being deducted from the result, multiplied by (ii) the number of ETC Securities outstanding as at the relevant Early Redemption Valuation Date (determined on an outstanding (actual) basis).

See Condition 8(d)(iv) for a description of the circumstances in which the Swap Agreement may be terminated or terminate automatically

Payment to the Issuer under any Swap Agreement will be made to such account as the Issuer may direct from time to time.

Tax

All payments under the Swap Agreement will be made subject to any withholding or deduction for, or on account of, any tax. In the event of any such withholding or deduction relating to an amount payable to the Issuer, the amount received by the Issuer under the Swap Agreement will be reduced.

Disruption Events

Under the terms of the Swap Agreement, the Swap Counterparty may, on any Scheduled Valuation Day (but is not obliged to), determine that a Disruption Event has occurred and/or exists and give notice to the Issuer, the Swap Calculation Agent and the other relevant Transaction Parties of its determination. If the Swap Counterparty delivers a Disruption Event Notice the Swap Calculation Agent will determine the Closing Index Level in respect of the relevant Scheduled Valuation Day affected by the Disruption Event as further described in Condition 9(b).

Index

The Index to which a Series of ETC Securities and the related Swap Transaction relates will be specified in the relevant Final Terms and the confirmation relating to the Swap Transaction. If the relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Swap Calculation Agent or (ii) replaced by a successor index using, in the determination of the Swap Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then such successor index or index calculated and announced by the successor sponsor shall be deemed to be the Index for the purposes of the Swap Transaction and, pursuant to Condition 10, the relevant Series of ETC Securities.

Term of Swap Transactions

The term of the Swap Transaction relating to a Series of ETC Securities will be as agreed between the Issuer and the relevant Swap Counterparty but may not be less than one year. See Condition 11(c) for a description of the terms of the Swap Agreement relating to the extension of the term, or termination, of the Swap Transaction relating to a Series of ETC Securities.

Adjustment Events

Under the terms of the Swap Agreement, the Swap Counterparty may on any Scheduled Valuation Day (but is not obliged to), determine that an Adjustment Event has occurred and/or exists and give notice to the Issuer, the Swap Calculation Agent and the other relevant Transaction Parties of its determination. If the Swap Counterparty delivers an Adjustment Event Notice to the Issuer and the Swap Calculation Agent in respect of any Scheduled Valuation Day, the Swap Calculation Agent will, as soon as

reasonably practicable, determine in good faith and in a commercially reasonable manner (i) whether in its opinion it is appropriate to make one or more adjustments to any of the terms of the Swap Agreement and any of the terms of the Conditions of the ETC Securities to account for the economic effect on the Swap Transaction and the ETC Securities of the relevant Adjustment Event and (ii) the nature and effective date of such adjustment(s).

Credit Support Deed

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into a separate English law governed credit support deed relating to the relevant Swap Agreement and Series of ETC Securities specified in such Issue Deed, with the other party being the person executing such Issue Deed in the capacity of Swap Counterparty.

The Credit Support Deed relating to the Swap Agreement and a Series of ETC Securities is an English law security document under which the Swap Counterparty will be required, from time to time, to transfer to the Issuer Eligible Collateral in the form of Gold or Eligible Financial Instruments. Any Gold transferred to the Issuer under the Credit Support Deed relating to a Series of ETC Securities will comprise of whole allocated bars of Gold only.

Under the terms of the Credit Support Deed, the CSD Valuation Agent (as defined in Annex 2 to the Conditions) will determine the Value (as defined in Annex 2 to the Conditions) of the Posted Collateral. If the Value of the Posted Collateral in respect of a Scheduled Valuation Day during the period from and including the Series Issue Date of the relevant Series of ETC Securities to (and including) the earlier to occur of the Early Redemption Valuation Date or the Final Redemption Valuation Date is less than the Base Currency Equivalent of the amount determined by the CSD Valuation Agent as being equal to the product of (i) the Value per ETC Security in respect of the immediately preceding Scheduled Valuation Day and (ii) the number of ETC Securities outstanding (determined on an outstanding (adjusted) basis) as at the close of business on the immediately preceding Scheduled Valuation Day, then the Issuer may make a demand for additional Eligible Collateral to be transferred to the Issuer with a value not less than the shortfall. The Swap Counterparty will transfer Eligible Collateral rounded up to the nearest whole unit (e.g. in the case of Gold, rounded up to the nearest allocated bar).

If the Value of the Posted Collateral in respect of a Scheduled Valuation Day during the period from and including the Series Issue Date of the relevant Series of ETC Securities to (and including) the earlier to occur of the Early Redemption Valuation Date or the Final Redemption Valuation Date is greater than the Base Currency Equivalent of the amount determined by the CSD Valuation Agent as being equal to the product of (i) the Value per ETC Security in respect of the immediately preceding Scheduled Valuation Day and (ii) the number of ETC Securities outstanding (determined on an outstanding (adjusted) basis) as at the close of business on the immediately preceding Scheduled Valuation Day, provided that such excess is greater than the minimum transfer amount specified with respect to the Issuer in the relevant Credit Support Deed, the Swap Counterparty may make a demand for the return of Posted Collateral with a Value as at the date of transfer equal to all or part of the excess.

If the Posted Collateral comprises Eligible Financial Instruments, any financial instrument which on any Scheduled Valuation Day does not constitute Eligible Collateral (including all or part of the Posted Collateral which is not, or ceases to be, Eligible Collateral pursuant to the eligibility conditions described in Annex 2 to the Conditions) will not be included in the calculation of the Value of the Posted Collateral in respect of such Scheduled Valuation Day. The CSD Valuation Agent will immediately notify the Swap Counterparty that the relevant financial instrument(s) do not constitute Eligible Collateral in respect of a Scheduled Valuation Day, and provided that no (i) Swap Counterparty Event of Default, (ii) event which, with the giving of notice or the lapse of time or both, would constitute a Swap Counterparty Event of Default or (iii) Swap Counterparty Termination Event has occurred, the Swap Counterparty will be entitled under the terms of the Credit Support Deed to demand the return of such financial instruments.

Any cash amount comprising Posted Collateral (including, without limitation, any cash amount received by the Issuer (or the Custodian on behalf of the Issuer) in connection with the payment of interest, a dividend or other distribution in respect of Gold or an Eligible Financial Instrument or in connection with the redemption, sale or other disposal of Gold or an Eligible Financial Instrument) on any Scheduled Valuation Day will not be included in the calculation of the Value of the Posted Collateral in respect of such Scheduled Valuation Day. The CSD Valuation Agent will immediately notify the Swap Counterparty of any cash amount comprising the Posted Collateral in respect of a Scheduled Valuation Day, and provided that no (i) Swap Counterparty Event of Default, (ii) event which, with the giving of notice or the lapse of time or both, would constitute a Swap Counterparty Event of Default or (iii) Swap Counterparty Termination Event has occurred, the Swap Counterparty will be entitled under the terms of the Credit Support Deed to demand the payment of such cash amount to it.

Under the terms of a Credit Support Deed, all transfers of Gold required to be transferred pursuant to such Credit Support Deed will be made on a two-Scheduled Valuation Day settlement basis unless otherwise agreed between the Issuer and the relevant Swap Counterparty.

Under the terms of a Credit Support Deed, all transfers of securities required to be transferred pursuant to such Credit Support Deed will be made on a settlement basis reflecting customary practice when settling through the clearance system agreed between the Issuer and the relevant Swap Counterparty for delivery of such securities or, otherwise, on the market in which such securities are principally traded unless otherwise agreed between the Issuer and the relevant Swap Counterparty.

Under the terms of a Credit Support Deed, the Swap Counterparty mortgages, charges and pledges in favour of the Issuer all Posted Collateral as security for the obligations of the Swap Counterparty under the Swap Agreement to which the Credit Support Deed relates. If the related Swap Agreement is terminated and the relevant Swap Counterparty fails to pay the requisite termination amount in whole or in part and the security granted in favour of the Issuer under the Credit Support Deed becomes enforceable, then the Issuer will be entitled to enforce the security under the Credit Support Deed and sell all or part of the Posted Collateral in order to use the proceeds to satisfy the obligation of the relevant Swap Counterparty to pay to the Issuer the relevant termination amount under the relevant Swap Agreement.

Posted Collateral transferred to the Issuer will be held with the Custodian under the terms of the relevant Custody Agreement. Prior to the enforcement of the security created pursuant to the Credit Support Deed, the Posted Collateral is the property of the Swap Counterparty and the Issuer will have no right to sell or use it.

USE OF PROCEEDS

The net proceeds from the issue of ETC Securities of a Series of ETC Securities will be used to enter into a Swap Transaction (or increase the economic exposure under such Swap Transaction) under the Swap Agreement relating to such Series of ETC Securities, and to pay fees and expenses in connection with the administration of the Issuer and/or the issue of such ETC Securities.

DESCRIPTION OF THE ISSUER

General

The Issuer was registered and incorporated in Jersey as a public limited liability company on 6 August 2009 under the Companies (Jersey) Law 1991, registration number 103783 under the name DB ETC Index plc.

The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is at St Paul's Gate, New Street, St. Helier, Jersey JE4 8ZB, Channel Islands. The telephone number of the Issuer is +44(0) 1534 889 900. The authorised share capital of the Issuer is £10,000 divided into 10,000 ordinary shares of £1.00 each. All of the issued ordinary shares of the Issuer are held by Intertrust Nominees (Jersey) Limited (previously Elian Nominees (Jersey) Limited) and Intertrust Nominees 2 (Jersey) Limited (previously Naile Nominees (Jersey) Limited) for and on behalf of Intertrust Corporate Trustee (Jersey) Limited (previously Elian Corporate Trustee (Jersey) Limited) as trustee of the DB ETC Index Charitable Trust. The DB ETC Index Charitable Trust was established pursuant to a declaration of trust established by Intertrust Corporate Trustee (Jersey) Limited on 4 August 2009 for charitable purposes. The principal office of Intertrust Corporate Trustee (Jersey) Limited is 44 Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands.

The above amounts of ordinary share capital are stated as at the date of this Base Prospectus. The Issuer has not conducted any business since its date of incorporation and registration to the date hereof except as contemplated by this Base Prospectus and the Transaction Documents and except for receiving the ordinary capital subscriptions referenced above.

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The object of the Issuer is the issuance of one or more financial instruments and entry into certain other agreements and transactions in connection with such activity. In connection with and ancillary to this object, the Issuer may enter into any derivative transactions; incur any and all form of indebtedness from any party whatsoever whether contingent or actual in any currency whatsoever and for any duration; grant security in respect of all or part of any of its assets, in any form whatsoever; enter into and/or carry out any and all transactions carried out in the international capital markets or arising out of any euro-medium term note programme or euro commercial paper programme; issue, redeem and/or buy-back financial instruments; take delivery of and hold any property, securities, commodities or any other assets as security for the obligations of any party owed to the Issuer in connection with the financial instruments and/or any agreement or transaction entered into by the Issuer with such parties in relation to any financial instrument and transfer, sell or otherwise dispose of any property, securities, commodities or any other assets held by the Issuer in connection with the financial instruments and/or any agreements or transactions entered into by the Issuer with such parties in relation to any financial instrument in accordance with the terms thereof. Notwithstanding the foregoing, the Issuer will have unrestricted corporate capacity and nothing described above will restrict the authority of the directors.

The Issuer does not have any subsidiary undertakings.

No person other than the Issuer will be obliged to make payments on the ETC Securities and the ETC Securities will not be guaranteed by, or be the responsibility of, any other entity. In particular, the ETC Securities (i) do not represent an interest in and will not be obligations of, or insured or guaranteed by, the Arranger, any Transaction Party or any subsidiary, holding company or any company associated with any of them, (ii) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme and (iii) are not insured or guaranteed by any government, government agency or other body.

In accordance with Article 41.6(c) of Directive 2006/43/EC of the European Parliament and of the Council and any relevant implementing measures of Jersey, the Issuer does not consider it appropriate to have

either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee. This is because the Issuer's principal business consists of the issue of ETC Securities and the holding of Secured Property and Posted Collateral in connection with Series of ETC Securities and the application of amounts received from or in connection with the Secured Property towards making payments in respect of the relevant ETC Securities and paying certain fees, expenses and other related amounts and as such, the Issuer is not conducting an operating business.

Capitalisation

The following table sets out the capitalisation of the Issuer as at the date of this Base Prospectus.

	£
<i>Shareholders' Funds:</i>	
Share capital (Authorised £10,000; Issued two ordinary shares of £1.00 each)	2
<i>Indebtedness:</i>	
The Indebtedness of the Issuer as at the date of this Base Prospectus is	0
Total	2

There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2016. The Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Directors and Company Secretary

The Directors of the Issuer are as follows:

Name	Principal Occupation	Business Address
Intertrust Corporate Director 3 Limited	Corporate Director	44 Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands
Intertrust Corporate Director 4 Limited	Corporate Director	44 Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands
Carl McConnell	Bank Executive	St. Paul's Gate, New Street, St. Helier, Jersey JE4 8ZB, Channel Islands

The directors of Intertrust Corporate Director 3 Limited and Intertrust Corporate Director 4 Limited as at the date of this Base Prospectus are Peter Gatehouse, Stephen Langan, Daniel Le Blancq, Edward Thorogood, Ellen Chislett and Paul Willing.

In addition to acting as a director of Intertrust Corporate Director 3 Limited and Intertrust Corporate Director 4 Limited, each of Peter Gatehouse, Stephen Langan, Daniel Le Blancq, Edward Thorogood, Ellen Chislett and Paul Willing are also directors of Intertrust SPV Services Limited (which is not a director of the Issuer). The business address of each of Peter Gatehouse, Stephen Langan, Daniel Le Blancq, Edward Thorogood, Ellen Chislett and Paul Willing is 44 Esplanade, St Helier, Jersey, JE4 9WG. The Company Secretary is Deutsche International Corporate Services Limited.

Deutsche International Corporate Services Limited of St. Paul's Gate, New Street, St. Helier, Jersey JE4 8ZB, Channel Islands is the secretary and administrator of the Issuer. Its duties include the provision of certain management, administrative, secretarial, accounting and related services. The appointment of the

administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

Carl McConnell is an employee of an affiliated company of the administrator.

Financial Statements

The Issuer has prepared audited financial statements for the periods from 1 January 2015 to 31 December 2015 and from 1 January 2016 to 31 December 2016. Such financial statements are incorporated by reference into and shall form part of this Base Prospectus. The Issuer will publish half-yearly and yearly financial statements for each financial year in respect of the period ending on 31 December in the relevant year.

The auditors of the Issuer are KPMG Channel Islands Limited, PO Box 453, St. Helier, Jersey JE4 8WQ, Channel Islands. The auditors of the Issuer are chartered accountants who are members of the Institute of Chartered Accountants of England and Wales and are qualified to practise as auditors in Jersey.

The Issuer agrees in the relevant Trust Deed to provide the Trustee with a certificate of the Issuer signed by any Director, upon request on an annual basis, to the effect that having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the "**Certification Date**") not more than five days before the date of the certificate, no Event of Default or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of the relevant Issue Deed or, if such event had occurred, giving details of it.

Issuer taxation

The Income Tax (Jersey) Law 1961, as amended (the "**Law**") provides that the general basic rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey, will be zero per cent. ("**zero tax rating**") and that:

- (i) only a limited number of financial services companies (as defined below) shall be subject to income tax at a rate of 10 per cent.; and
- (ii) only utility companies (as defined in the Law), companies involved in the importation or distribution of hydrocarbon oil and Jersey Property Profits (as defined below) shall be subject to income tax at a rate of twenty per cent.

A "**financial services company**" means any company that:

- (a) is registered under the Financial Services (Jersey) Law 1998 (the "**1998 Law**") to carry out:
 - (i) investment business; or
 - (ii) trust company business; or
 - (iii) fund services business, as an administrator or custodian in relation to an unclassified fund or an unregulated fund; or
- (b) is registered under the Banking Business (Jersey) Law 1991, other than a company registered for business continuity under that Law, pursuant to Article 9A of the Banking Business (General Provisions) (Jersey) Order 2002; or
- (c) holds a permit under the Collective Investment Funds (Jersey) Law 1988 by virtue of being a functionary who is an administrator or custodian mentioned in Part 2 of the Schedule to that Law.

"**Jersey Property Profits**" means:

- (d) the annual profits or gains arising in respect of any rents or receipts as follows, that is to say –
 - (i) rents under leases of land in Jersey,

- (ii) rents, and
- (iii) other receipts arising to the owner of land in Jersey from, or by virtue of, the owner's ownership of that land including any receipts arising from a licence to occupy land;
- (e) the annual profits or gains arising or accruing from the trade, carried on in Jersey, of the disposal, on a commercial basis, of land or any building or structure, or any part thereof, which is situated in Jersey; and
- (f) the annual profits or gains arising or accruing from the trade of the exploitation of land in Jersey by the exploration, excavation, excision, extrication, extirpation, exsiccation, expropriation or extraction or recovery of stone, minerals and other inorganic solid materials.

For so long as the Issuer holds a "zero tax rating", no withholding in respect of Jersey taxation will be required on payments to any holder of the ETC Securities.

Goods and Services Tax ("GST")

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the "**2007 Law**"), tax at a rate which is, as at the date of this Base Prospectus, 5 per cent. applies to the supply of retail goods and services unless the relevant supplier or recipient of such goods and services is registered as an "international services entity".

The Issuer is an "international services entity" within the meaning of the 2007 Law, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended (the "**ISE Regulations**") and, as long as it continues to be such an entity, a supply of goods or of a service made by or to the Issuer shall not be a taxable supply for the purposes of the 2007 Law.

INFORMATION CONCERNING THE LEAD AUTHORISED PARTICIPANT, THE CUSTODIAN AND THE PROGRAMME SWAP COUNTERPARTY

The information in this section has been accurately reproduced from information published by Deutsche Bank (as defined below) and has been included to provide disclosure for where Deutsche Bank AG acts as the Lead Authorised Participant, the Custodian or the Programme Swap Counterparty and Swap Counterparty. So far as the Issuer is aware and is able to ascertain from information published by Deutsche Bank no facts have been omitted which would render the reproduced information misleading.

Incorporation, Registered Office and Objectives

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

Deutsche Bank AG, London Branch

On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. The London branch of Deutsche Bank is an authorised person for the purposes of section 19 of FSMA. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

Share Capital

As of 30 December 2016, Deutsche Bank's subscribed capital amounted to €3,530,939,215.36 consisting of 1,379,273,131 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges. They are also listed on the New York Stock Exchange.

The consolidated financial statements for the fiscal years starting 1 January 2007 are prepared in compliance with International Financial Reporting Standards ("**IFRS**"). As of 31 December 2016, Deutsche Bank Group had total assets of €1,590,546 million, total liabilities of €1,525,727 million and total equity of € 64,819 million on the basis of IFRS.

TAXATION

The following is a summary of certain aspects of the tax treatment in respect of payments of the Issuer and amounts paid in respect of the ETC Securities by the Issuer (or an agent appointed by it) in accordance with the terms and conditions of such ETC Securities, based on the laws and practices currently in force which are subject to change after the date of this Base Prospectus and which changes could be made on a retrospective basis. It is limited to the country of incorporation of the Issuer and those countries in which admission to trading may be sought or offers for which a prospectus is required under the Prospectus Directive may be made pursuant to this Base Prospectus.

It does not relate to any other tax consequences or to withholdings in respect of payments by other persons (such as custodians, depositaries or other intermediaries) unless otherwise specified. Particular rules may apply to certain classes of taxpayers holding the ETC Securities. The summary does not purport to be exhaustive and does not constitute tax or legal advice and the comments below are of a general nature only. With respect to certain structured financial instruments, such as the ETC Securities, it may be the case that in certain jurisdictions there is currently neither case law nor comments of the financial authorities as to the tax treatment of such financial instruments. Accordingly, there is a risk that the relevant financial authorities and courts or the paying agents in such jurisdictions may adopt a view different from that summarised below. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from the purchase, holding, sale and redemption of the ETC Securities and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

All payments in respect of the ETC Securities by the Issuer or by an agent appointed by the Issuer will be subject to any applicable withholding taxes.

None of the Issuer, the Arranger or any Transaction Party makes any representation or warranty as to the tax consequences to any investor of the acquisition, holding or disposal of the ETC Securities. The tax consequences for each investor in the ETC Securities can be different and therefore investors and counterparties are advised to consult with their tax advisers as to their specific consequences.

Information Reporting

Information relating to the ETC Securities, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the ETC Securities, amounts paid or credited with respect to the ETC Securities, details of the holders or beneficial owners of the ETC Securities and information and documents in connection with transactions relating to the ETC Securities. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries.

Jersey

General

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue or transfer of ETC Securities. On the death of an individual holder of ETC Securities (whether or not such individual was resident in Jersey), duty at rates of up to 0.75 per cent. of the value of the relevant ETC Securities may be payable on the registration of Jersey probate or letters of administration.

United States

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Jersey) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the ETC Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the ETC Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the ETC Securities, such withholding would not apply to foreign passthru payments prior to 1 January 2019. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the ETC Securities, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex and its application is uncertain at this time. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the ETC Securities.

Austria

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the ETC Securities in Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the ETC Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the ETC Securities. Tax risks resulting from the ETC Securities (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*)) shall in any case be borne by the investor. For the purposes of the following it is assumed that the ETC Securities are legally and factually offered to an indefinite number of persons.

General

Individuals who have a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals who have neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of

management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the ETC Securities

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest – the tax basis is the amount of the earnings received (sec. 27a(3)(1) of the Austrian Income Tax Act);
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the sale, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest – the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs, in each case including accrued interest (sec. 27a(3)(2)(a) of the Austrian Income Tax Act); and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates (the mere exercise of an option does not trigger tax liability); e.g. in the case of index certificates, the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs (sec. 27a(3)(3)(c) of the Austrian Income Tax Act).

Also the withdrawal of the ETC Securities from a securities account (*Depotentnahme*) and circumstances leading to a restriction of Austria's taxation right regarding the ETC Securities *vis-à-vis* other countries, e.g. a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) and (2) of the Austrian Income Tax Act). The tax basis amounts to the fair market value minus the acquisition costs (sec. 27a(3)(2)(b) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the ETC Securities as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the ETC Securities with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) at a flat rate of 27.5 per cent.; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income from the ETC Securities without an Austrian nexus, the income must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5 per cent. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary acquisition costs (*Anschaffungsnebenkosten*; sec. 27a(4)(2) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitized claims *vis-à-vis* credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (*Privatstiftungen, ausländische Stiftungen oder sonstige*

Vermögensmassen, die mit einer Privatstiftung vergleichbar sind); income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income. The Austrian custodian agent has to effect the offsetting of losses by taking into account all of a taxpayer's securities accounts with the custodian agent, in line with sec. 93(6) of the Austrian Income Tax Act, and to issue a written confirmation to the taxpayer to this effect.

Individuals subject to unlimited income tax liability in Austria holding the ETC Securities as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the ETC Securities with an Austrian nexus the income is subject to withholding tax at a flat rate of 27.5 per cent. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5 per cent.). In case of investment income from the ETC Securities without an Austrian nexus, the income must always be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5 per cent.. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The flat tax rate does not apply to income from realised increases in value and income from derivatives if realising these types of income constitutes a key area of the respective investor's principal business activity (sec. 27a(6) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the sale, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 27.5 per cent., are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55 per cent. of the remaining negative difference may be offset against other types of income.

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the ETC Securities at a rate of 25 per cent. In case of income in the sense of sec. 27(1) of the Austrian Income Tax Act from the ETC Securities with an Austrian nexus, the income is subject to withholding tax at a flat rate of 27.5 per cent. However, a 25 per cent. rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the sale of the ETC Securities can be offset against other income.

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the ETC Securities as non-business assets are subject to interim taxation at a rate of 25 per cent. on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses such as bank charges and custody fees must not be deducted (sec. 12(2) of the Austrian Corporate Income Tax Act). Interim tax generally does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income from the ETC Securities with an Austrian nexus, the income is in

general subject to withholding tax at a flat rate of 27.5 per cent.. However, a 25 per cent. rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act be applied by the withholding agent, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on income from the ETC Securities if they have a permanent establishment (*Betriebsstätte*) in Austria and the ETC Securities are attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). In addition, individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of sec. 27(2)(2) of the Austrian Income Tax Act and accrued interest (including from zero coupon bonds) in the sense of sec. 27(6)(5) of the Austrian Income Tax Act from the ETC Securities if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. This does not apply to individuals being resident in a state with which automatic exchange of information exists. Interest with an Austrian nexus is interest the debtor of which has its place of management and/or its legal seat in Austria or is an Austrian branch of a non-Austrian credit institution; accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer (sec. 98(1)(5)(b) of the Austrian Income Tax Act). The Issuer understands that no taxation applies in the case at hand.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011, as amended in the course of the implementation of Directive 2011/61/EU, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the member state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organised in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15 per cent.; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date, the tax authorities have not yet adapted the Austrian Investment Fund Guidelines (*Investmentfondsrichtlinien*) to the legislation as currently in force. In case of a qualification as a foreign investment fund, the tax consequences would substantially differ from those described above: a special type of transparency principle would be applied, pursuant to which generally both distributed income, as well as deemed income, would be subject to Austrian (corporate) income tax.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer has its domicile, its habitual abode, its legal seat or its place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5 per cent., with higher rates applying in special cases.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee has its domicile, its habitual abode, its legal seat or its place of management in Austria. Not all gifts are covered by the notification obligation: in case of gifts to certain related parties, a threshold of € 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of € 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10 per cent. of the fair market value of the assets transferred.

Further, gratuitous transfers of the ETC Securities may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) and (2) of the Austrian Income Tax Act (see above).

Belgium

General

The following is intended as a general guideline and is only a summary of the Issuer's understanding of current Belgian tax law and practice applied to the taxation of the ETC Securities. It is stressed that the text is not to be read as extending by implication to matters not specifically discussed therein. The text does not take into account or discuss tax laws of any country other than Belgium and is subject to changes in Belgian law, including changes that could have retroactive effect. Investors should seek advice from their own tax advisers with respect to the taxation in Belgium of proceeds received in respect of such ETC Securities.

Taxation of a Belgian Tax Resident Private Investor or Belgian Legal Entities

Payments by the Issuer at the Scheduled Maturity Date or Early Redemption Date

The profit derived from the ETC Securities resulting from the positive difference (if any) between the Final Redemption Amount at the Scheduled Maturity Date and the Issue Price or between the Early Redemption Amount at the Early Redemption Date and the Issue Price is characterised, under Belgian tax law, as interest income.

Any profit derived from the ETC Securities and paid or attributed via a Belgian paying agent is in principle subject to Belgian withholding tax of 30 per cent., and possibly subject to exemptions under Belgian law.

For individuals (Belgian residents) holding the ETC Securities as a private investment, the 30 per cent. withholding tax on any profit derived from the ETC Securities constitutes the final Belgian income tax. The Belgian resident is not required to report the profit derived from the ETC Securities in his income tax return. In case the individual has received this profit outside Belgium without deduction of Belgian withholding tax, he must report this profit in his individual tax return and the profit will be subject to a separate taxation at a rate of 30 per cent. (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, if this results in lower taxation). In case the individual realises a loss on his ETC Securities, no (withholding) tax will be due, but a tax deduction will not be available either.

For Belgian legal entities subject to the Belgian legal entities tax, the 30 per cent. withholding tax levied on any profit derived from the ETC Securities also constitutes the final Belgian income tax. The profit does not need to be reported in the annual income tax return. In case the legal entity has received the profit derived from the ETC Securities outside Belgium without deduction of Belgian withholding tax, it must pay and report the Belgian withholding tax to the Belgian tax administration itself. In case of a loss, no (withholding) tax will be due, but no tax deduction will be available either to the legal entities.

Sale of the ETC Securities to a third party (other than the Issuer) prior to the Scheduled Maturity Date

The capital gains realised upon transfer to third parties prior to the Scheduled Maturity Date of the ETC Securities (i.e. the difference between the transfer price and the Issue Price of the ETC Securities) are in principle tax exempt in the hands of Belgian resident individuals, except if the capital gains are realised outside the scope of the normal management of the taxpayer's private estate. No deduction will be available, in case a capital loss is incurred.

The capital gains realised upon transfer to third parties prior to the Scheduled Maturity Date of the ETC Securities (i.e. the difference between the transfer price and the Issue Price of the ETC Securities) are in principle tax exempt in the hands of Belgian legal entities subject to the Belgian legal entities tax.

Taxation of Belgian Resident Companies and Belgian Resident Individuals who have Invested the ETC Securities in a Business

The profit derived from the ETC Securities resulting from the (positive) difference (if any) between the Final Redemption Amount at the Scheduled Maturity Date and the Issue Price and, in case of transfer prior to the Scheduled Maturity Date, resulting from the (positive) difference between the transfer price and the Issue Price of the ETC Securities, will be taxable for Belgian resident companies and Belgian resident individuals who have invested the ETC Securities in their business activity.

Profits derived from the ETC Securities by Belgian resident companies are taxed at a rate of 33.99 per cent. while Belgian resident individuals who have invested the ETC Securities in their business activity are taxable at the progressive individual income tax rates (plus local surcharges). Any losses are normally tax deductible. Any Belgian withholding tax that has been levied is creditable and refundable subject to certain limitations. Under certain conditions, a foreign tax credit of a maximum of 15/85 of the net profit is granted in respect of taxes paid abroad.

Taxation of Non-Belgian Resident Investors

Non-Belgian resident investors are only taxed on Belgian source profit.

The non-Belgian resident investors will, as a matter of principle, not be subject to taxation in Belgium in respect of any profit derived from the ETC Securities on or prior to the Scheduled Maturity Date, if the profit is not collected through a Belgian paying agent.

However, any profit derived by non-Belgian resident investors (individuals, companies and legal entities) upon payment by the Issuer on the Scheduled Maturity Date or Early Redemption Date will normally be subject to a Belgian withholding tax of 30 per cent. if this profit is paid in Belgium, i.e. through a Belgian paying agent. Exemptions or reductions may apply pursuant to Belgian national tax law, tax treaties or European Directives. In the absence of such profit, no taxation will occur in Belgium.

In addition, non-resident investors who have allocated the ETC Securities to the exercise of a professional activity in Belgium through a permanent establishment are subject to the same tax rules as described above in the section "Taxation of Belgian Resident Companies and Belgian Resident Individuals who have Invested the ETC Securities in a Business".

The exchange of information is governed by the Common Reporting Standard ("**CRS**"). On 29 October 2014, 51 jurisdictions indeed signed the multilateral competent authority agreement ("**MCAA**"), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 40 jurisdictions have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017 (early adopters).

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest,

dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The mandatory automatic exchange of financial information by EU Member States as foreseen in DAC will at the latest take place as of 30 September 2017, except with regard to Austria. The mandatory automatic exchange of financial information by Austria will at the latest take place as of 30 September 2018.

Belgium has implemented the DAC, respectively the Common Reporting Standard, by the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of the respective date to be further determined by Royal Decree.

In addition to the aforementioned Belgian withholding tax of 30 per cent., profits derived from the ETC Securities may therefore be subject to a system of automatic exchange of information between the relevant tax authorities.

Responsibility for the Withholding of Tax

If the profit derived from the ETC Securities is paid or attributed to investors via a Belgian paying agent, the obligation to retain Belgian withholding tax, if any, is the sole responsibility of the Belgian paying agent. Under Belgian tax law the foreign Issuer does not assume any responsibility in this respect.

Stock Exchange Tax

In certain events, a Belgian stock exchange tax (*Taxe sur les opérations de bourse/Taks op de beursverrichtingen*) will be due.

The Belgian stock exchange tax is normally due on a certain number of transactions agreed or executed in Belgium, including each transfer and each purchase for consideration in Belgium of the ETC Securities through a professional intermediary on the secondary market. No tax is payable by non-residents acting for their own account, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, nor by certain other (institutional) investors acting for their own account, such as professional intermediaries, insurance companies, enterprise pension institutions, collective investment institutions, etc. as listed in art. 126/1 of the Code of Miscellaneous Taxes and Duties.

The tax amounts to 0.27 per cent. of the purchase price of the ETC Securities for each secondary market sale and for each secondary market purchase. The tax due on each of the above-mentioned transactions

is capped at € 1,600 per transaction and per party. A separate tax is due from each party to the transaction, both collected by the professional intermediary.

Following the Law of 25 December 2016, the scope of application of the stock exchange tax has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a “Belgian Investor”). In such a scenario, the stock exchange tax is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the stock exchange tax due has already been paid by the professional intermediary established outside of Belgium. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (“**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the stock exchange tax due and for complying with reporting obligations in that respect. If such a Stock Exchange Tax Representative would have paid the stock exchange tax due, the Belgian Investor will, as per the above, no longer be the debtor of the stock exchange tax.

Tax on the Delivery of Bearer Securities

A tax of 0.60 per cent. on the price to be paid by the purchaser or acquirer is levied on the delivery of bearer securities and it is not capped.

The delivery of bearer securities means the physical delivery of the bearer securities that takes place after the acquisition for consideration (purchase on the secondary market) or withdrawal of the securities that are deposited on a short deposit account. Delivery to Belgian professional intermediaries falls outside the scope of the tax. If no physical delivery of the bearer securities takes place, the tax will not be due.

The following transactions are exempt from the tax: deliveries made after the acquisition for consideration without the intervention of a professional intermediary, and deliveries of foreign securities deposited on a short deposit account, when the recipient is a non-resident.

The tax on the delivery of bearer securities will normally only apply to transactions with ETC Securities in bearer form, subject to the above-mentioned exemptions.

Anti-abuse provision

Pursuant to article 344, § 2 of the Belgian Income Tax Code 1992, the Belgian Tax Administration is entitled to disregard the transfer of certain assets, including cash, to a non-resident company which, by virtue of the law of its country of residence, is not subject to income tax or is subject to a tax regime in relation to the income produced by the assets transferred which is notably more advantageous than the tax treatment which would be applicable in Belgium to such income.

Pursuant to this provision the Belgian Tax Administration can ignore the cash transfer and tax the Belgian investor on a deemed interest as if the transfer had not taken place.

A Belgian investor can avoid the application of the abovementioned legal fiction by producing evidence that (i) the ETC Securities produce income that effectively generates in Belgium a tax burden which is normal in comparison with the tax burden which would have arisen if the investment had not taken place or (ii) the investment has been carried out for genuine financial or economic needs.

Finland

General

The following is a summary of certain Finnish tax consequences for holders of the ETC Securities who are residents of Finland for tax purposes. The summary is based on tax laws and taxation practice, as in effect and applied as at the date of this Base Prospectus with respect to securities linked to the value of an underlying asset generally, and is intended to provide general information only. However, the tax treatment of ETC Securities is not in all respects established and there are no specific tax laws addressing the tax treatment of ETC Securities in Finland. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in the summary.

The summary does not cover situations where individuals hold the ETC Securities in context of business activities. The summary does neither cover situations where the ETC Securities are held as investment assets or current assets (i.e. allocable to the inventory or otherwise held for trading purposes) by a corporation or where there are unrealised changes in the values of the ETC Securities that are held for trading purposes. This summary addresses neither Finnish gift nor inheritance tax consequences.

The summary is furthermore prepared under the assumption that the Issuer is not a resident in Finland for Finnish income tax purposes and is not acting from a Finnish branch, permanent establishment or other fixed place of business in Finland in connection with the ETC Securities.

Tax Withholding

There is no Finnish withholding tax (*Fi. lähdevero*) applicable to the payments made by the Issuer in respect of the ETC Securities. However, Finland operates a system of preliminary taxation (*Fi. ennakonpidätysjärjestelmä*) to secure the payment of taxes in certain circumstances. A tax of 30 per cent will be deducted and withheld from all proceeds (at redemption) that are treated as interest or as compensation comparable to interest, when such payments are made by a Finnish account operator (i.e. a Finnish paying agent) to individuals and death estates. Any preliminary tax (*Fi. ennakonpidätys*) will be used for the payment of the individual's or the death estate's final taxes (which means that they are credited against the individual's or death estate's final tax liability).

Individuals and Death Estates

For income tax purposes, the ETC Securities will presumably be considered as assets, the disposal of which will result in either a capital gain or loss. Accordingly, individuals and death estates will be subject to tax on any capital gains incurred from the disposal of the ETC Securities. Capital gains of individuals and death estates are currently taxed at a tax rate of 30 per cent if the total amount of capital income (including capital gains) received by an individual or a death estate is € 30,000 or less annually and at a tax rate of 34 per cent to the extent the total amount of capital income (including capital gains) exceeds € 30,000 annually.

Capital gains and losses are calculated by deducting from the sales price the original acquisition cost added with expenses incurred from the disposal of the ETC Securities. The acquisition cost of the ETC Securities is generally considered to consist of the price paid for the ETC Securities added with possible expenses incurred from the acquisition. Alternatively, when calculating capital gains, individuals and death estates may use a so-called presumed acquisition cost, the amount of which is always a minimum of 20 per cent. of the sales price. When using the presumed acquisition cost, sales expenses are not separately deductible.

A loss suffered from the disposal of the ETC Securities will presumably be considered as a capital loss. Similarly, a loss arising from the expiration of the ETC Securities (as worthless) presumably constitutes a capital loss. Capital losses are primarily deductible from capital gains arising in the same year. Any capital losses that cannot be used to offset capital gains in the same year can then be applied against

other capital income in the same year. Any remaining unused capital losses can finally be carried forward for five years and used in the same manner as described above.

Any compensation with respect to the ETC Securities paid at redemption/maturity will be taxed as capital income at the tax rate of 30 per cent or 34 per cent as described above (but may not necessarily be treated as a capital gain). Possible foreign withholding tax is normally credited in Finland up to the maximum amount of taxes payable in Finland.

Corporations

Amounts received from the disposal and/or the redemption of the ETC Securities that are assigned to the business assets of corporations constitutes part of the corporation's taxable business income. Correspondingly, the acquisition cost of the ETC Securities is treated as a deductible expense in taxation upon disposal or redemption.

In the event that the ETC Securities are not assigned to a corporation's business assets, any amounts received from such ETC Securities are taxed as capital gains or qualify as losses as described above under "*Individuals and Death Estates*". However, a corporation may not use a presumed acquisition cost.

Corporate income is currently taxed at a tax rate of 20 per cent.

Possible foreign withholding tax is normally credited in Finland up to the maximum amount of taxes payable in Finland.

France

General

This following summary is based on the tax laws and regulations in force in France as of the date of this Base Prospectus and such as applied by the French tax authorities, all of which are subject to changes or to different interpretation, potentially with retroactive effect. It does not purport to be a comprehensive description of all the French tax considerations which may be relevant to a decision to purchase, own or dispose of the ETC Securities.

Potential purchasers and sellers of the ETC Securities are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the purchase, ownership, redemption or disposal of the ETC Securities. In particular, this tax summary does not address the tax treatment of ETC Securities holders that are subject to special rules, such as partnerships, trusts or regulated investment companies, international organisations, banks or other financial institutions, insurance companies, among others. Prospective investors should consult their tax advisers as to the French and foreign tax treatment especially in light of their particular circumstances.

The tax treatment described below is based on the assumption that the ETC Securities will be assimilated to securities equivalent to bonds (*obligations*) for French tax purposes.

Withholding Tax

To the extent that the Issuer of the ETC Securities is not domiciled or established in France (notably ETC Securities are not issued through a permanent establishment of the Issuer in France), the payments made on the ETC Securities to a beneficial owner of ETC Securities which is not a French resident for tax purposes and does not hold the ETC Securities in connection with a permanent establishment or a fixed base in France will not be subject to a withholding tax (*retenue à la source*) in France.

French Resident Individuals

The following is an overview of French tax rules applicable to individuals, resident in France for tax purposes, who hold ETC Securities as part of their private assets, who do not trade on the stock market

on a regular basis and, accordingly, who are not considered as professional traders. Individuals who engage in professional trading transactions should consult their tax advisers concerning the tax rules applicable in their specific case.

Redemption Premium

Redemption premium from obligations (interest and redemption premium) issued by foreign entities is subject to personal income tax (Article 120-8° of the FTC). Default interest, if any, is assimilated to redemption premium.

Pursuant to Article 125 A of the FTC, subject to certain limited exceptions, the redemption premium received by individuals who are fiscally domiciled in France is subject to a 24 per cent. advance tax (payable either by way of a withholding or by the individuals themselves), which is deductible from their personal income tax liability in respect of the year in which the payment has been made.

The personal income tax is calculated on a progressive scale with a maximum rate of 45 per cent..

Social contributions are levied (either by way of withholding or paid by the individuals themselves) at an aggregate rate of 15.5 per cent., broken down as follows:

- a general social contribution (*Contribution sociale généralisée*) of 8.2 per cent. (of which 5.1 per cent. is deductible from the basis of assessment for personal income tax for the year of payment);
- a social levy (*Prélèvement social*) of 4.5 per cent.;
- the two additional contributions to the social levy (*Contributions additionnelles au prélèvement social*) of 0.3 per cent. and 2 per cent.; and
- a social security debt repayment contribution (*Contribution au remboursement de la dette sociale*) of 0.5 per cent..

A tax on higher income (*Contribution exceptionnelle sur les hauts revenus*) is applicable at a rate of 3 per cent. to 4 per cent. on the income derived by individuals which exceeds € 250,000 (for single persons) or € 500,000 (for couples).

Losses derived from the redemption of the ETC Securities cannot be deducted from the holder's taxable income.

Capital Gains

Capital gains realised on sales of ETC Securities are subject to personal income tax at progressive rates, with a maximum rate of 45 per cent., as of the first euro earned (Article 200-A 2 of the FTC), to which are added the following social contributions:

- a general social contribution (*Contribution sociale généralisée*) of 8.2 per cent. (of which 5.1 per cent. is deductible from the basis of assessment for personal income tax for the year of payment);
- a social levy (*Prélèvement social*) of 4.5 per cent.;
- the two additional contributions to the social levy (*Contributions additionnelles au prélèvement social*) of 0.3 per cent. and 2 per cent.; and
- a social security debt repayment contribution (*Contribution au remboursement de la dette sociale*) of 0.5 per cent..

A tax on higher income (*Contribution exceptionnelle sur les hauts revenus*) is applicable at a rate of 3 per cent. to 4 per cent. on the income derived by individuals which exceeds € 250,000 (for single persons) or € 500,000 (for couples).

Capital losses may only be used to offset capital gains of the same type incurred within the same year and the following 10 years.

French Wealth Tax

ETC Securities held by individuals in their personal portfolio are included in the basis of assessment for French wealth tax (*impôt de solidarité sur la fortune*). As at 1 January 2017, French wealth tax is applicable at a maximum rate of 1.5 per cent. to individuals who own personal assets, where their net asset value exceeds € 1,300,000.

Duties on Inheritance and Gift Tax

Subject to certain conditions, ETC Securities inherited or received as gifts by individuals are subject to inheritance and gift taxes in France.

Legal Entities Subject to Corporate Income Tax in France

Redemption Premium

The redemption premium is calculated by the difference between the amounts to be received and the amounts paid at the time of the acquisition or subscription of the ETC securities.

The premium is subject to a staggered taxation when the premium, computed as indicated above, exceeds 10 per cent. of the subscription or acquisition price and for ETC Securities whose average issue price is not greater than 90 per cent. of their redemption value (Article 238 *septies* E II 1 of the FTC).

In the other cases (where the conditions are not met), the premium is taxable at the time of reimbursement.

Where the premium is subject to a staggered taxation, since the ETC Securities are index-linked the redemption premium is computed at the end of the fiscal year as the value of reimbursement that takes into account the variation of the index (Article 238 *septies* E II 2 and 3 of the FTC). The taxable portion of the premium is equal to the difference between (i) the fraction of the premium accrued until the end of the fiscal year, computed at a rate, which, in accordance with the methods of compound interest, allows obtaining of the reimbursement value (that takes into account the variation of the index) and (ii) the fractions taxed during the previous fiscal years according to the same method.

In order to avoid double taxation, when the ETC Securities are sold or reimbursed, the portion of the premium that has already been subject to the staggered taxation during the previous financial year is deducted in determining the capital gain.

Default interest, if any, is assimilated to redemption premium.

The redemption premium, and, if any, the default interest are subject to corporate income tax (“CIT”) at the following rate.

CIT is currently levied, in the general case, at 33.33 per cent. and is increased by a social contribution (*contribution sociale*) at a 3.3 per cent. rate applied on the CIT due, after deduction of € 763,000 per 12-month period (Article 235 *ter* ZC of the FTC). Certain legal entities may pay CIT at the reduced rate of 15 per cent., up to a maximum taxable amount of € 38,120 per 12-month period, and may qualify for exemption from the 3.3 per cent. social contribution under certain conditions (Articles 219-I-b and 235 *ter* ZC of the FTC). As from 1 January 2017, the standard CIT rate will be reduced progressively with the aim to reach a rate of 28 per cent. applicable to all companies as from 2020. For 2017, only certain legal entities may benefit from the reduced rate of 28 per cent..

Capital Gains

Capital gains or losses realised on the sale of ETC Securities by a legal entity subject to CIT are subject to the short-term capital gains or short-term capital losses regime.

Capital gains are included in the taxable income of the current fiscal year at the time of their realisation and are taxable at the standard CIT rate of 33.33 per cent. plus the 3.3 per cent. social contribution (or the reduced rate of 15 per cent. up to € 38,120 of taxable income, where applicable). As mentioned above, the standard CIT rate will progressively be reduced as from 1 January to reach a standard rate of 28 per cent. for all companies as from 2020.

Capital losses are charged against taxable income or contribute to the creation of losses carried forward under the conditions set forth by commonly applicable law.

Germany

The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of the ETC Securities. It does not purport to be a complete analysis of all tax considerations relating to the ETC Securities. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular holder of the ETC Securities. The discussions that follow are based upon the applicable German laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retrospective effect.

Prospective holders of the ETC Securities should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the ETC Securities, including the application and effect of any federal, state or local taxes, under the tax laws of Germany and each country of which they are residents or citizens.

Income Tax

ETC Securities Held by Tax Residents as Private Assets

In case the ETC Securities are held as private assets (Privatvermögen) by an individual investor whose residence or habitual abode is in Germany, any amounts received with respect to the ETC Securities (including default interest (if any)) are qualified as proceeds from receivables (Erträge aus sonstigen Kapitalforderungen). Although the German Income Tax Code distinguishes between the taxation of current proceeds from receivables and the taxation of capital gains from receivables, all proceeds are taxed as capital investment income (Einkünfte aus Kapitalvermögen) at a 25 per cent. flat tax (Abgeltungsteuer) (plus a 5.5 per cent. solidarity surcharge (Solidaritätszuschlag) thereon and, if applicable to the individual investor, church tax). Individual investors are entitled to a tax allowance (Sparer-Pauschbetrag) for amounts treated as investment income of €801 per year (€1,602 for jointly assessed individual investors). The tax allowance is considered for purposes of the withholding tax if the investor files a withholding tax exemption request (Freistellungsauftrag) with the respective Domestic Paying Agent (as described below) where the securities deposit account to which the ETC Securities are allocated is held. The deduction of the effective income related expenses for tax purposes is not possible. In addition, Securityholders will not be able to offset losses on the sale or redemption of the ETC Securities against income (e.g. employment income) other than capital investment income. If the sale or redemption price for the ETC Securities does not exceed the transaction costs or if the amount of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price any loss from a sale or redemption of ETC Securities might not be recognised by the German tax authorities. This view has, however, been challenged by a final judgment of a German lower fiscal court in 2014. According to the view of German tax authorities, losses suffered upon a bad debt loss (*Forderungsausfall*) shall, in general, also not be tax deductible. This view has been confirmed by a non-final judgement of a German lower fiscal court in 2016.

The flat tax is generally collected by way of withholding. If the ETC Securities are kept or administered in a domestic securities deposit account by a German credit or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm

(Wertpapierhandelsunternehmen) or a German securities trading bank (Wertpapierhandelsbank) (together, the “**Domestic Paying Agent**”) since their acquisition, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon (and, if applicable to the individual investor, church tax), is levied on capital gains from the sale or redemption of the ETC Securities and default interest (if any), resulting in a total withholding tax charge of 26.375 per cent.. If the ETC Securities were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, the 25 per cent. withholding tax (plus solidarity surcharge thereon and, if applicable to the individual investor, church tax) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous account bank was able and allowed to provide evidence for the investor’s actual acquisition costs to the new Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is applicable to the individual investor. In this case the collection of church tax on capital gains from the sale or redemption of the ETC Securities and default interest (if any) is provided for as a standard procedure unless the noteholder has filed a blocking notice (Sperrvermerk) with the German Federal Central Tax Office (Bundeszentralamt für Steuern).

If no Domestic Paying Agent (as defined above) is involved in the payment process, the Securityholder will have to include its receipts from the ETC Securities in its tax return and the flat income tax of 25 per cent., plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax, will be collected by way of assessment.

Payment of the flat tax will generally satisfy any income tax liability of the Securityholders in respect of such deemed investment income. Securityholders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent..

ETC Securities Held by Tax Residents as Business Assets

If the ETC Securities are held as business assets (Betriebsvermögen) by an individual or corporate investor that is tax resident in Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany), capital gains from the sale or redemption of the ETC Securities and default interest (if any) are subject to personal or corporate income tax (plus solidarity surcharge thereon and, if applicable to the individual investor, church tax). Losses realised on the sale or redemption of the ETC Securities may be offset in particular against items of positive income under the general tax rules or deducted as part of losses carried back or forward, although the minimum taxation rules (Section 10d(1), (2) EStG) must be observed. Capital gains from the sale or redemption of the ETC Securities and default interest (if any) will also be subject to trade tax.

No withholding is generally required on capital gains from the sale or redemption of ETC Securities derived by German resident corporate Securityholders and upon application by individual Securityholders holding the ETC Securities as business assets. Apart from that if a Domestic Paying Agent (as defined above) is involved in the payment process tax at a rate of 25 per cent. (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax) will also be withheld from capital gains from the sale or redemption of the ETC Securities and default interest (if any). With respect to church tax applicable to an individual investor please see above under “*ETC Securities Held by Tax Residents as Private Assets*”. Any German withholding tax (including surcharges) is generally fully creditable against the investor’s personal or corporate income tax liability or refundable, as the case may be.

ETC Securities Held by Non-tax Residents

Amounts derived from the ETC Securities by holders who are not tax resident in Germany are in general exempt from German income taxation, and no withholding tax shall be withheld, unless (i) the ETC Securities are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, or (ii) the ETC Securities are presented for payment or

credit at the offices of a German credit or financial services institution including a German branch of a foreign credit or financial services institution (over-the-counter transaction).

If an amount derived from the ETC Securities is subject to German taxation according to (i) above, it is subject to withholding tax similar to that described above under “Securities Held by Tax Residents as Business Assets”. According to (ii) above the payment of withholding tax will generally satisfy any German income tax liability of the Securityholders in respect of such deemed investment income. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (Doppelbesteuerungsabkommen) entered into with Germany.

Investment Tax Act

The ETC Securities should not qualify as units in a foreign investment fund in terms of the German Investment Tax Act (Investmentsteuergesetz) as currently applicable. The ETC Securities may qualify as a share in a so called “corporate-like investment company” (Kapital-Investitions-gesellschaft) under the German Investment Tax Act if the Issuer qualifies as an AIF under the EU AIFM Directive. However, provided that the ETC Securities do not qualify as equity instruments, the qualification of the ETC Securities as a share in a so called “corporate-like investment company” (Kapital-Investitions-gesellschaft) under the German Investment Tax Act should not have any impact on the taxation as described above.

According to the reform of the German Investment Tax Act (Investment Tax Reform Act) dated 19 July 2016, which will be applicable as of 1 January 2018, the Issuer would qualify as foreign investment fund for German Investment Tax Act purposes if it qualifies as an AIF under the EU AIFM Directive. In this case, it can not be excluded that Securityholders will be taxed on the basis of any annual increase in the value of the relevant Commodity Index even if such increase in value has not yet been realised by the Issuer or distributed to a Securityholder. If an ETC Security is subsequently sold or redeemed and any increase in value of the relevant Commodity Index is realised the taxable capital gain from the sale or redemption of the ETC Securities will be reduced accordingly. It is however also possible that only virtual gains will be subject to tax at a level of a Securityholder, which have never been realised, if the value of the relevant Commodity Index subsequently decreases again until the sale or redemption of an ETC Security.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to ETC Securities will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such ETC Security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the ETC Securities. Currently, net assets tax (Vermögensteuer) is not levied in Germany.

Ireland

The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of ETC Securities. This summary deals only with ETC Securities held beneficially as capital assets and does not address special classes of holders of ETC Securities such as dealers in securities. This summary is not exhaustive and holders of ETC Securities are advised to consult their own tax advisers in respect of the taxation consequences of their ownership or disposition. The comments are

made on the assumptions that (i) the Issuer is not resident in Ireland for Irish tax purposes, (ii) the Issuer does not carry on a trade or business in Ireland through a branch or agency, (iii) the Issuer was not incorporated in Ireland and (iv) the ETC Securities are not secured over Irish land or real property. The summary is based on current Irish taxation legislation and practice of the Irish Revenue Commissioners.

Irish Withholding Tax

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payments on the ETC Securities except where the payment has an Irish source and is either a payment of annual interest or an amount treated under Irish law as a payment of annual interest. A payment could be considered to have an Irish source, where, for example, it is paid out of funds maintained in Ireland or where the ETC Securities are secured on Irish situate assets. The mere offering of the ETC Securities to Irish investors will not cause a payment to have an Irish source.

In certain circumstances collection agents and other persons receiving such payments on the ETC Securities in Ireland on behalf of an Irish resident holder of ETC Securities will be obliged to operate a withholding tax.

Taxation of Amounts Treated as Income

The taxation of sums received in respect of the ETC Securities from the Issuer on maturity or buy-back is not clear. It is possible that amounts received in excess of the original subscription amount could be regarded as income for Irish tax purposes and potentially subject to income or corporation taxes.

Unless exempted, an Irish resident or ordinarily resident holder of ETC Securities and a non-resident holder of ETC Securities holding through an Irish branch or agency will be liable to Irish tax on the amount of income (or amounts regarded as income under Irish law, if any) received from the Issuer. Individuals would suffer income tax plus potentially pay related social insurance (“**PRSI**”) and universal social charge (“**USC**”). Corporate investors will suffer corporation tax. Credit against Irish tax on the income (or amounts regarded as income under Irish law, if any) received may be available in respect of any foreign withholding tax deducted by the Issuer.

Taxation of Capital Gains

In the case of a disposal of the securities to an unconnected third party, it is likely that any sums received would be regarded as capital receipts and potentially subject to taxes on capital gains.

Subject to the comments above, Irish resident or ordinarily resident holders of ETC Securities and non-resident holders of ETC Securities holding ETC Securities through an Irish branch or agency will be liable to Irish tax on capital gains on any gains arising on a disposal of ETC Securities. Reliefs and allowances may be available in computing the holder’s liability.

Stamp Duty

Transfers of ETC Securities should not be subject to Irish stamp duty, provided the transfers do not relate to Irish land or buildings or securities of an Irish registered company.

Capital Acquisitions Tax

A gift or inheritance comprising of ETC Securities will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the ETC Securities are regarded as property situate in Ireland. This tax is charged on gifts and inheritances above a certain threshold determined both by the relationship between the disponer and the donee/successor and previous gifts or inheritances received.

Offshore fund taxation

While the holding of ETC Securities could potentially be treated as a 'material interest' in an offshore fund for the purposes of Chapter 2 of Part 27 of the Taxes Consolidation Act 1997 (the "TCA"), the Irish Revenue Commissioners have released guidance indicating that exchange traded commodities which are generally structured as debt instruments will not come within the tax regime for offshore funds but instead will come within general tax principles (as to which we refer to above).

As recommended above, holders of ETC Securities should obtain independent tax advice in relation to the tax implications of holding and disposing of ETC Securities.

Provision of Information

Generally

Holders of ETC Securities should be aware that where any amounts regarded as interest under Irish law or other payment on ETC Securities is paid to them by or through an Irish paying agent or collection agent then the relevant person may be required to supply the Irish Revenue Commissioners with details of the payment and certain details relating to the holder. Where the holder of the ETC Securities is not Irish resident, the details provided to the Irish Revenue Commissioners may, in certain cases, be passed by them to the tax authorities of the jurisdiction in which the holder is resident for taxation purposes.

Italy

With regard to certain innovative or structured financial instruments there is currently no case law as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities will change its current view, as specified below, and courts will adopt a view different from that outlined below. All of the following is subject to change, which change could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, it does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to purchase, own or dispose of the ETC Securities, nor does it purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of ETC Securities, some of which may be subject to special rules. Securityholders should consult their own tax advisors as to the Italian or other tax consequences of the purchase, holding and disposition of ETC Securities including, in particular, the application to their specific situations of the tax consequences discussed below.

This summary assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy and that it has no permanent establishment within the Italian territory.

Italian corporate and individual income tax

Provided that the ETC Securities qualify broadly as derivative instruments for the purposes of Italian tax law, which they are expected to do, the following consequences apply to a Securityholder pursuant to Article 67(1)(c-quarter) of Presidential Decree No. 917 of 22 December 1986, as subsequently amended, and according to the Italian tax authority's Resolution no. 72/E of 12 July 2010.

According to Legislative Decree No. 461 of 21 November 1997, where the Italian resident Securityholder is: (i) an individual not engaged in an entrepreneurial activity to which the ETC Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised on the sale or redemption of the ETC Securities are subject to a 26 per cent. substitute tax (imposta sostitutiva).

In this respect, Securityholders who are Italian resident individuals may opt for three different taxation regimes (regime della dichiarazione, regime del risparmio amministrato, regime del risparmio gestito). This option may result in certain impacts that the prospective investors should consider with their tax

advisers. In particular, provided that certain conditions are met, the depository is responsible for accounting for imposta sostitutiva and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under certain conditions, capital losses may be deducted from the above mentioned capital gains.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the ETC Securities are effectively connected, capital gains arising from the ETC Securities will not be subject to imposta sostitutiva, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax (IRES, currently applicable at a rate of 24 per cent.) and, in certain cases, depending on the status of such holder, may also have to be included in its taxable base for regional tax purposes (IRAP, currently applicable at a rate of 3.9 per cent). The IRAP rate may be increased in certain Italian regions; IRAP rate has also been increased by article 23(5) of Law Decree no. 98 of 6 July 2011 to 4.65 per cent. for banks and other financial institutions and to 5.9 per cent. for the insurance companies as indicated, respectively, under article 6 and article 7 of Legislative Decree no. 446 of 15 December 1997).

Capital gains realised by non-Italian resident Securityholders without a permanent establishment in Italy are not subject to Italian taxation, if (i) the ETC Securities are held outside of Italy, (ii) the ETC Securities have been deposited in Italy and are traded on a regulated market or (iii) the ETC Securities have been deposited in Italy but are not traded on a regulated market and the beneficial owner of proceeds from the relevant ETC Securities complies with certain filing requirements and is a resident of a country which is included in the list of jurisdictions allowing exchange of information with the Italian tax authorities as provided under the relevant list which is contained in a specific Ministerial Decree and in the following periodical updates.

Should the ETC Securities be deemed to constitute units in foreign investment funds, proceeds from capital deriving from the ETC Securities should be included in the taxable income of the Italian resident recipient and may be subject to a 26 per cent. withholding tax applied by Italian resident entities, if any, which intervene in the payment of the relevant proceeds as well as in the repurchase or negotiation of the ETC Securities.

Italian inheritance and gift taxes

Law no. 286 of 24 November 2006, which has converted into law, with amendments, Law Decree no. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the ETC Securities) and rights by reason of death or gift.

As regards the inheritance and gift tax to be paid at the transfer of the ETC Securities by reason of death or gift, the following rates apply:

- (i) transfers in favour of spouses and direct descendants or direct relatives are subject to a rate of 4 per cent. on the value of the inheritance or the gift exceeding € 1,000,000.00 for each transferor;
- (ii) transfers in favour of brothers and sisters are subject to a rate of 6 per cent. on the value of the inheritance or the gift exceeding € 100,000.00 for each transferor;
- (iii) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to a rate of 6 per cent. on the entire value of the inheritance or the gift;
- (iv) any other transfer is subject to a rate of 8 per cent. on the entire value of the inheritance or the gift; and
- (v) transfers in favour of seriously disabled persons are subject to a tax at the relevant rate as described above on the value of the inheritance or the gift exceeding € 1,500,000.00 for each transferor.

Moreover, an anti-avoidance rule is provided by Law No. 383 of 18 October 2001 for any gift of assets (such as the ETC Securities) which, if sold for consideration, would give rise to capital gains subject to the imposta sostitutiva provided for by Legislative Decree No. 461 of 21 November 1997. In particular, if the donee sells the ETC Securities for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant imposta sostitutiva on capital gains as if the gift had never taken place.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries, carrying out their business activity within the Italian territory, to their clients for ETC Securities deposited therewith. The stamp duty applies at the current rate of 0.2 per cent.; this stamp duty is determined on the basis of the market value or — if no market value figure is available — the nominal value or redemption amount of the ETC Securities held. The stamp duty can be no lower than € 34.20. If the client is not an individual, the stamp duty cannot be higher than € 14,000.00.

It may be understood that the stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that the ETC Securities are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the ETC Securities outside the Italian territory are required to pay an additional tax at the current rate of 0.2 per cent. for each year.

This tax is calculated on the market value of the ETC Securities at the end of the relevant year or — if no market value figure is available — the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of any wealth tax paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax Monitoring Obligations

Italian-resident individuals (and certain other entities) are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227 of 4 August 1990, for tax monitoring purposes, the amount of notes held abroad (or beneficially owned abroad under Italian anti-money laundering provisions). This also applies in the case that at the end of the tax year, notes are no longer held by the above Italian-resident individuals and entities.

However, the above reporting obligation is not required in case the financial assets are deposited for management with Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of 28 June 1990, or if one of such intermediaries intervenes as a counterpart in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

Implementation in Italy of the EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income made by a paying agent (within the meaning of the EU Savings Directive) within its jurisdiction to an individual resident in that other Member State. Legislative decree No. 84 of 18 April 2005 ("**Decree No. 84**") implemented in Italy, as of 1 July 2005, the EU Savings Directive.

However, on 10 November 2015, the Council of the European Union adopted Council Directive 2015/2060 of 10 November 2015 (the "**Directive 2015/2060**"), repealing the EU Savings Tax Directive

with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all EU Member States. The repeal of the EU Savings Tax Directive is aimed at preventing overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

In order to implement this in Italy, the Directive 2015/2060, Law No. 122 of 7 July 2016 (the European Delegation Law 2015-2016) has repealed the Decree No. 84 with effect from 1 January 2016.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the EU Savings Tax Directive in their particular circumstances.

Luxembourg

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*), as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding Tax

Under Luxembourg tax law currently in effect and subject to certain exceptions (as described below), there is no Luxembourg withholding tax on payments of default interest (including accrued but unpaid default interest), nor is any Luxembourg withholding tax payable upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the ETC Securities.

Under the Luxembourg law dated 23 December 2005, as amended (the “**December 2005 Law**”), interest payments made by paying agents established in Luxembourg (as defined in the December 2005 Law) to Luxembourg individual residents are subject to a 20 per cent. withholding tax. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

In the event of payments under the ETC Securities coming within the scope of the December 2005 Law, such payments would at present be subject to withholding tax of 20 per cent.. As no return in respect of ETC Securities (whether in the form of cash, on redemption, or as a result of trading) should constitute a payment of interest for the purposes of the December 2005 Law, it is not envisaged that withholding tax should become due by virtue of the December 2005 Law.

Income Taxation

Non-resident Holders of ETC Securities

A non-resident corporate holder of ETC Securities or a non-resident individual holder of ETC Securities acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such ETC Securities are attributable,

is subject to Luxembourg income tax on default interest (if any) accrued or received, redemption premiums or issue discounts under the ETC Securities and on any gains realised upon the sale or disposal, in any form whatsoever, of the ETC Securities.

Resident Holders of ETC Securities

A corporate holder of ETC Securities must include any default interest (if any) accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the ETC Securities, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of ETC Securities, acting in the course of the management of a professional or business undertaking.

A holder of ETC Securities that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds as amended or by the law of 23 July 2016 on reserved alternative investment funds governed (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 does not apply), is neither subject to Luxembourg income tax in respect of default interest (if any) accrued or received, nor redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the ETC Securities.

An individual holder of ETC Securities, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of default interest received (if any), redemption premiums or issue discounts under the ETC Securities.

A gain realised by an individual holder of ETC Securities, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of ETC Securities is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the ETC Securities were acquired. However, any portion of such gain corresponding to accrued but unpaid default interest income (if any) is subject to Luxembourg income tax.

Net Wealth Taxation

A corporate holder of ETC Securities, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such ETC Securities are attributable, is subject to Luxembourg net wealth tax on such ETC Securities, except if the holder of ETC Securities is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended or is a reserved alternative investment fund governed by the law of 23 July 2016. However, a securitisation company subject to the amended law of 22 March 2004 and a company subject to the amended law of 15 June 2004 on venture capital vehicles are, as from 1 January 2016, subject to a minimum net wealth tax, as are reserved alternative investment funds subject to the law of 23 July 2016, provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies.

An individual holder of ETC Securities, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg net wealth tax on such ETC Securities.

Other Taxes

Neither the issuance nor the transfer of ETC Securities will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of ETC Securities is a resident of Luxembourg for tax purposes at the time of his/her death, the ETC Securities are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of ETC Securities if embodied in a Luxembourg deed or recorded in Luxembourg.

The Netherlands

Where in this paragraph English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the ETC Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only for holders of ETC Securities who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the ETC Securities. We refer to the transaction summary (entitled "Summary of the Programme") in this Base Prospectus for a description of the key terms of the ETC Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) holders of ETC Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of ETC Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) a holder of ETC Securities which is a taxpayer for the purposes of Netherlands corporate income tax, having a participation (*deelname*) in the Issuer (such a participation is generally present in the case of an interest of at least 5 per cent. of the Issuer's nominal paid-in capital);
- (iii) investment institutions (*fiscale beleggingsinstellingen*);
- (iv) pension funds, exempt investment institution (*vrijgestelde fiscale beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax; and
- (v) a holder of ETC Securities that is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten.

Where this summary refers to a holder of ETC Securities, such reference is restricted to a holder holding legal title to as well as an economic interest in such ETC Securities.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Netherlands Withholding Tax

All payments made by the Issuer under the ETC Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the ETC Securities are attributable, gains realised upon the redemption, settlement or disposal of the ETC Securities (and any default interest) are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes, gains realised upon the redemption, settlement or disposal of the ETC Securities (and any default interest) are taxable at the progressive rates (at up to a maximum rate of 52 per cent.) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the ETC Securities are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the ETC Securities are attributable; or
- (ii) such gains and default interest (if any) qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the ETC Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If the above mentioned conditions (i) and (ii) do not apply to the individual holder of the ETC Securities, such holder must record the ETC Securities as assets that are held in box 3 (income from savings and investments, Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*)). Taxable income with regard to the ETC Securities is then determined on the basis of a certain deemed return on the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year insofar the yield basis exceeds a €25,000 threshold (*heffingvrij vermogen*), rather than on the basis of income actually received or gains actually realised. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the ETC Securities, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the ETC Securities will be included as an asset in the holder's yield basis. The holder's yield basis is allocated to up to three brackets for which different deemed returns apply. The first bracket includes amounts up to and including €75,000, which amount will be split into a 67 per cent. low-return part and a 33 per cent. high-return part. The second bracket includes amounts in excess of €75,000 and up to and including €975,000, which amount will be split into a 21 per cent. low-return part and a 79 per cent. high-return part. The third bracket includes amounts in excess of €975,000, which will be considered high-return in full. For 2017 the deemed return on the low-return parts is 1.63 per cent. and on the high-return parts is 5.39 per cent.. The deemed return percentages will be reassessed every year. The deemed return on the holder's yield basis is taxed at a rate of 30 per cent..

Netherlands Gift and Inheritance Tax

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the ETC Securities by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be made at the time the

condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is, or is deemed to be, a resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within 10 years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a 12-month period after leaving the Netherlands. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Netherlands Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the ETC Securities or in respect of a cash payment made under the ETC Securities, or in respect of a transfer of ETC Securities.

Other Netherlands Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the ETC Securities.

Sweden

The following summary outlines certain Swedish tax consequences relating to holders of ETC Securities that are considered to be resident in Sweden or non-Swedish holders having a permanent establishment in Sweden to which the ETC Securities are attributable. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds, life insurance companies and ETC Securities held by a partnership or as current assets in a business operation. The summary does not address the rules regarding reporting obligations for, among others, payers of interest. Credit of foreign taxes is not addressed in the summary. Further, specific tax consequences may be applicable if, and to the extent, a holder of ETC Securities realises a capital loss on the ETC Securities and to any currency exchange gains or losses.

Individuals resident in Sweden

Generally, all capital income (e.g. amounts that are considered to be interest for Swedish tax purposes and capital gains on ETC Securities) obtained by individuals (and estates of deceased individuals) resident in Sweden for tax purposes will be taxable at a rate of 30 per cent.

If amounts that are considered to be interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden (or a Swedish branch of a non-Swedish entity) to a private individual (or an estate of a deceased individual) resident in Sweden for tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes will normally be withheld also on other returns on securities and receivables (but not capital gains) paid to an individual, provided such return is paid out together with an amount that is considered to be interest for Swedish tax purposes.

A person is resident in Sweden for Swedish tax purposes if the person (a) is domiciled in Sweden; (b) has permanently stayed in Sweden; or (c) has been domiciled earlier in Sweden and, after having moved abroad, continues to have an essential connection with Sweden.

Corporations resident in Sweden

Capital gains from the disposal of the ETC Securities are taxable. The taxable capital gain, being the difference between the sale price and the acquisition cost of the ETC Securities, is taxed at the corporate tax rate of 22 per cent..

Corporations are generally deemed to be resident in Sweden only if they are incorporated in Sweden under Swedish corporate laws.

Switzerland

Swiss Tax Resident Securityholders

If the ETC Securities are held as *private assets*, the ETC Securities should in principle generate capital gains exempt from income tax or non-tax deductible capital losses. It can, however, not be ruled out that, as a result of the Minimum Redemption Amount, the Swiss tax authorities treat the ETC Securities as a product combining a certificate and a structured product, combining bond and option components. In that case and provided that the ETC Securities qualify as transparent products within the meaning of the practice of the Swiss federal tax administration (which is the case for most structured products), any proceeds received by the Securityholders upon sale or redemption of the ETC Securities would have to be allocated between the bond and option component of the ETC Securities (with the share of the profit attributed to the bond component being characterised as taxable interest income and the share of the profit attributed to the option component as tax-exempt capital gain). In addition, default interest (if any) would be treated as investment income subject to income tax.

If the ETC Securities are held as business assets, any profit derived from the ETC Securities in excess of their book value is subject to ordinary (individual or corporate) income tax. Contrary to individual income tax, corporate income tax is generally a flat tax (the rate of which also varies depending on the cantons and commune of seat of the corporation).

Swiss Withholding Tax

Payments under the ETC Securities will not be subject to Swiss withholding tax (35 per cent.), provided that the Issuer of the ETC Securities is at all times domiciled and effectively managed outside of Switzerland and provided that the proceeds from the offering and sale of the ETC Securities are used outside of Switzerland.

Stamp Taxes (Issuance Stamp Tax, Securities Transfer Tax)

The issue of the ETC Securities is not subject to the Swiss federal issuance stamp tax.

Sale or purchase of ETC Securities may be subject to securities transfer stamp tax (0.3 per cent. in relation to foreign securities) if the ETC Securities have to be characterised as structured product, if a Swiss securities dealer (e.g. a Swiss bank or broker) is involved as an intermediary or as a counterparty in such transactions and if no specific (full or half) exemption is available. Exemptions may be available in relation to specific parties (e.g. a half exemption applies in relation to a party qualifying as an exempt investor, e.g. collective investment scheme or foreign pension funds) or in relation to specific transactions (e.g. full exemption applies in case of redemptions, or in relation to specific types of securities).

United Kingdom

The following is a summary of the Issuer's understanding of current United Kingdom tax law and United Kingdom HM Revenue & Customs ("HMRC") practice as at the date of this Base Prospectus relating to certain aspects of the United Kingdom tax treatment of ETC Securities. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of ETC Securities.

The following summary relates to investors who are individuals (i.e. natural persons) acting in a private capacity and who are resident and domiciled in the United Kingdom for tax purposes (“**UK Individuals**”) or that are legal persons within the charge to United Kingdom corporation tax and hold ETC Securities as an investment. The summary relates only to the position of persons who are absolute beneficial owners of ETC Securities and does not deal with the position of certain categories of investor, such as dealers and persons connected with the Issuer. **This summary is intended only as a general guide and investors and prospective investors are strongly urged to seek tax advice from appropriate professional advisers regarding an investment in ETC Securities, including as to how any Series of ETC Securities will be classified for tax purposes and the tax consequences of such classification.**

Investors and prospective investors in ETC Securities should be aware that the particular terms of issue of any Series of ETC Securities as specified in the relevant Final Terms may affect how that Series of ETC Securities is classified for United Kingdom tax purposes and, in general, the United Kingdom tax treatment of that Series of ETC Securities. The following summary relates only to certain possible classifications of ETC Securities and does not cover the United Kingdom tax treatment of all possible Series of ETC Securities that could be issued under the Programme. In addition, the United Kingdom tax position of specific holders of ETC Securities will depend on their own specific circumstances. Accordingly, the following is a general guide and should be treated with appropriate caution.

The comments below are made on the assumption that the Issuer is neither resident in the United Kingdom for United Kingdom tax purposes nor carrying on a trade in the United Kingdom for United Kingdom tax purposes. This summary is subject to any change in law or HMRC practice that may take effect after the date of this Base Prospectus.

Investors and prospective investors who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal (including a redemption) of ETC Securities should also consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects in respect of the ETC Securities. In particular, investors and prospective investors should be aware that they may be liable to taxation under the laws of the United Kingdom and other jurisdictions in relation to payments in respect of the ETC Securities even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Withholding tax

The Issuer may make payments in respect of any Series of ETC Securities, which fall to be treated as payments of interest for UK income tax purposes without deduction or withholding for or on account of United Kingdom tax where such payments do not have a “UK source”.

If payments, which are treated as payments of interest for UK income tax purposes, have a “UK source”, such payments made by the Issuer in respect of any Series of ETC Securities may nevertheless be made without deduction or withholding for or on account of United Kingdom tax if that Series is listed on a “recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007 (“**ITA 2007**”). This is as a result of the exemption from withholding tax for quoted Eurobonds set out in section 882 ITA 2007. On the basis of information published by HMRC regarding which stock exchanges are so recognised, the London Stock Exchange is, amongst other stock exchanges, a recognised stock exchange for these purposes and, therefore, payments of interest in respect of ETC Securities may be made without withholding or deduction for or on account of United Kingdom tax if, and for so long as, such ETC Securities are listed on the London Stock Exchange or any other recognised stock exchange.

Payments of interest with a “UK source” made by the Issuer in respect of any Series of ETC Securities that is not listed on a recognised stock exchange may be made without deduction or withholding for or on

account of United Kingdom tax if such payments are “excepted payments” within sections 933 to 937 ITA 2007.

Payments of interest under any Series of ETC Securities may have a “UK source” depending on circumstances such as the nature and location of the Collateral and other circumstances, particularly as the Swap Counterparty under the Swap Agreement is located in the United Kingdom.

The United Kingdom withholding tax treatment of any payments of interest which are “UK source” and which are not “excepted payments”, which are made in respect of any Series of ETC Securities which is not listed on a such a recognised stock exchange, will depend upon the specific circumstances, and the specific terms of such Series including whether any payments in respect of the relevant Series fall to be treated as interest for United Kingdom tax purposes.

Tax treatment of investors in ETC Securities

General

HMRC has provided guidance to the effect that it is their view that Series of ETC Securities are generally likely to constitute interests in an “offshore fund” and not to constitute debt securities or deeply discounted securities for UK tax purposes. In light of this guidance, the sections below deal with the likely United Kingdom tax treatment where the ETC Securities are treated as “offshore funds” and not as debt securities.

UK Individuals

In general, for an investor subject to United Kingdom tax, all profits arising on a Series of ETC Securities will be taxable profits for United Kingdom tax purposes, either as income and, therefore, subject to United Kingdom income tax, or capital gains and, therefore, subject to capital gains tax depending on the circumstances. However, in light of the HMRC guidance referred to above, the likely United Kingdom tax treatment of Series of ETC Securities is set out below on the assumption that ETC securities constitute “offshore funds” and not debt securities or deeply discounted securities, although other alternative treatments may be possible depending on the specific terms of the Series of ETC Securities that are issued.

Offshore funds

In respect of any Series of ETC Securities which falls to be treated as an interest in an “offshore fund”, as defined in section 355 Taxation (International and Other Provisions) Act 2010 (“**TIOPA 2010**”), for the purposes of the United Kingdom offshore fund rules within Part 8 TIOPA 2010 (an “**Offshore Fund**”), and not as debt securities or deeply discounted securities, any gain accruing to an investor who is a UK Individual upon the sale, redemption or other disposal of ETC Securities of that Series will constitute taxable income rather than capital gain for United Kingdom tax purposes if that Series of ETC Securities does not have “reporting fund” status under the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001).

In relation to any Series of ETC Securities which constitutes an Offshore Fund (and not deeply discounted securities or debt securities) which obtains recognition by HMRC as a “reporting fund”, any profit arising to an investor who is a UK Individual on the sale, redemption or other disposal of such ETC Securities should constitute capital gain rather than income for United Kingdom tax purposes provided that such recognition by HMRC as a reporting fund is maintained throughout the period during which the ETC Securities are held by that investor. In relation to any such Series recognised as a reporting fund, the Issuer would be required to report to each investor their share of the net income attributable to the relevant Series of ETC Securities. Any such reported income would constitute taxable income (rather than capital gain) for any investor who is a UK Individual, but would also be added to that investor’s base cost of the ETC Securities for the purposes of calculating any capital gain made on the sale, redemption

of other disposal of the ETC Securities. The Issuer is subject to certain other ongoing obligations in relation to any Series of ETC Securities for which reporting fund status has been obtained.

Certain Series of ETC Securities have been recognised by HMRC as reporting funds, although there is no guarantee that such status will be maintained for all future periods of account of the Issuer. A list of the Series of ETC Securities that have reporting fund status can be found at: <http://www.hmrc.gov.uk/collective/rep-funds.xls>. Application may be made to HMRC for one or more further Series of ETC Securities to be recognised as reporting funds. However, no assurance is given as to whether such applications will be made or whether recognition as reporting funds will be obtained and maintained for all future periods of account of the Issuer.

Inheritance tax

For the purposes of United Kingdom inheritance tax, an ETC Security may form part of the value of the estate of an investor who is a UK Individual and United Kingdom inheritance tax may (subject to certain exemptions and reliefs) become payable in respect of the value of an ETC Security on a gift of that ETC Security by, or the death of, an investor who is a UK Individual. Such a tax charge may be subject to appropriate provisions in any applicable double tax treaty.

Corporate Holders

In general, for an investor subject to United Kingdom corporation tax, all profits arising on a Series of ETC Securities will be taxable profits for United Kingdom corporation tax purposes, either as income or chargeable gains, depending on the circumstances. However, in light of the HMRC guidance referred to above, the likely United Kingdom tax treatment of Series of ETC Securities is set out below on the assumption that ETC Securities constitute “offshore funds” and not loan relationships, although other alternative treatments may be possible depending on the specific terms of the Series of ETC Securities that are issued.

Offshore funds

In respect of any Series of ETC Securities which falls to be treated as an interest in an Offshore Fund and not as a loan relationship, any profit arising to an investor that is subject to United Kingdom corporation tax on the sale, redemption or other disposal of ETC Securities of that Series will constitute profit of an income nature rather than chargeable gain for United Kingdom corporation tax purposes if that Series of ETC Securities does not have “reporting fund” status under the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001).

In relation to any Series of ETC Securities which constitutes an Offshore Fund (and does not fall within the loan relationship rules) which obtains recognition by HMRC as a “reporting fund”, any profit arising to an investor that is subject to United Kingdom corporation tax on the sale, redemption or other disposal of such ETC Securities will constitute chargeable gain rather than profits of an income nature for United Kingdom corporation tax purposes, provided that recognition by HMRC as a reporting fund is maintained for all accounting periods during which the ETC Securities are held by that investor.

In relation to any such Series recognised as a reporting fund, the Issuer would be required to report to each investor their share of the net income attributable to that Series of ETC Securities. Any such reported income would constitute taxable profits of an income nature (rather than chargeable gain) for United Kingdom corporation tax purposes for any investor that is subject to United Kingdom corporation tax, but would also be added to that investor’s base cost of the ETC Securities for the purposes of calculating any chargeable gain made on the sale, redemption or other disposal of such ETC Securities. The Issuer is subject to certain other ongoing obligations in relation to any Series of ETC Securities for which reporting fund status is obtained.

Certain Series of ETC Securities have been recognised by HMRC as reporting funds, although there is no guarantee that such status will be maintained for all future periods of account of the Issuer. A list of the Series of ETC Securities that have reporting fund status can be found at: <http://www.hmrc.gov.uk/collective/rep-funds.xls>. Application may be made to HMRC for one or more further Series of ETC Securities to be recognised as reporting funds. However, no assurance is given as to whether such applications will be made or whether recognition as reporting funds will be obtained and maintained for all future periods of account of the Issuer.

Stamp duties

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of ETC Securities or on the issue or (subject to the following paragraph) transfer of ETC Securities provided, in the case of Uncertificated Registered Securities, the Register in respect of such ETC Securities is kept and maintained outside the United Kingdom at all times.

In the event that written instruments of transfer of ETC Securities were to be used, or there were any written agreements to transfer ETC Securities, any such written instruments of transfer or agreements could, depending on the circumstances, be subject to UK stamp duty if such instruments or agreements are executed in the United Kingdom or related to property, assets or matters done or to be done in the United Kingdom. However, no practical obligation to pay any such United Kingdom stamp duty would arise unless such instruments or agreements were needed as evidence before a UK court, tribunal, tax authority or other public body in which event it may be necessary, depending upon the circumstances, for interest and/or penalties to be paid in addition to the stamp duty.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL UK TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF ETC SECURITIES. IN PARTICULAR, THE TAX TREATMENT OF ANY SERIES OF ETC SECURITIES MAY BE AFFECTED BY THE TERMS OF ISSUE OF THAT SERIES OF ETC SECURITIES AS SPECIFIED IN THE RELEVANT FINAL TERMS AND WILL DEPEND ON THE CLASSIFICATION OF THAT SERIES OF ETC SECURITIES FOR TAX PURPOSES AND THE INVESTOR'S OWN CIRCUMSTANCES. INVESTORS AND PROSPECTIVE INVESTORS SHOULD CONSULT APPROPRIATE TAX ADVISERS CONCERNING THE TAX CONSEQUENCES OF THE SPECIFIC SERIES IN QUESTION AND THEIR PARTICULAR SITUATION.

SUBSCRIPTION AND SALE

Only Authorised Participants may subscribe for ETC Securities from the Issuer. The Authorised Participant(s) in respect of each Series of ETC Securities at the Issue Date of such Series will be specified in the relevant Final Terms.

Securities may be offered to any category of potential investors provided that the offer complies with the selling restrictions set out below in this "Subscription and Sale" section (the "**Selling Restrictions**").

Selling Restrictions

United States

The ETC Securities have not been and will not be registered under the Securities Act or under the securities law of any state or political sub-division of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (collectively, the "**United States**"). No person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CFTC Rules of the CFTC, and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other United States federal laws. The ETC Securities are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S thereunder ("**Regulation S**").

Accordingly, the ETC Securities may not at any time be offered, sold or otherwise transferred except (i) in an "Offshore Transaction" (as such term is defined under Regulation S) and (ii) to or for the account or benefit of a Permitted Transferee.

A "**Permitted Transferee**" means any person who is not any of:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S;
- (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not "Non-United States persons", shall be considered a U.S. person); or
- (c) a "resident of the United States" for purposes of, and as defined in implementing regulations proposed or issued under, Section 13 of the Bank Holding Company Act of 1956, as amended ("**BHC Act**").

Transfers of ETC Securities within the United States or to any person other than a Permitted Transferee (a "**Non-Permitted Transferee**") are prohibited.

The foregoing restrictions on the offer, sale or other transfer of ETC Securities to a Non-Permitted Transferee may adversely affect the ability of an investor in the ETC Securities to dispose of the ETC Securities in the secondary market, if any, and significantly reduce the liquidity of the ETC Securities. As a result, the value of the ETC Securities may be materially adversely affected.

As defined in Rule 902(k)(1) of Regulation S, "U.S. person" means:

- (a) Any natural person resident in the United States;
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;
- (d) Any trust of which any trustee is a U.S. person;

- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
 - (i) organized or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in §230.501(a) of the Code of Federal Regulations, Title 17) who are not natural persons, estates or trusts.

As defined in CFTC Rule 4.7, “Non-United States person” means:

- (a) A natural person who is not a resident of the United States;
- (b) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (c) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) An entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission’s regulations by virtue of its participants being Non-United States persons; and
- (e) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As modified in the definition of “Permitted Transferee” above, the definition of “Non-United States person” excludes for purposes of sub-section (d) above, the exception in the proviso to the extent that it would apply to persons who are not “Non-United States persons”.

As defined in the CFTC’s proposed interpretive guidance and policy statement regarding cross-border application of certain swaps provisions of the CEA, 77 Fed. Reg. 41214, 218 (Jul. 12, 2012), “U.S. person” means:

- (a) Any natural person who is a resident of the United States;
- (b) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund, or any form of enterprise similar to any of the foregoing, in each case that is either
 - (i) organized or incorporated under the laws of the United States or having its principal place of business in the United States (“legal entity”) or
 - (ii) in which the direct or indirect owners thereof are responsible for the liabilities of such entity and one or more of such owners is a U.S. person;
- (c) Any individual account (discretionary or not) where the beneficial owner is a U.S. person;
- (d) Any commodity pool, pooled account, or collective investment vehicle (whether or not it is organized or incorporated in the United States) of which a majority ownership is held, directly or indirectly, by a U.S. person(s);
- (e) Any commodity pool, pooled account, or collective investment vehicle the operator of which would be required to register as a commodity pool operator under the CEA;
- (f) A pension plan for the employees, officers, or principals of a legal entity with its principal place of business inside the United States; and

- (g) An estate or trust, the income of which is subject to United States income tax regardless of source.

As defined in the final regulations issued under Section 13 of the BHC Act, 17 CFR 225.10(d)(8), “resident of the United States” means a “U.S. person” as defined in Regulation S.

The definition set forth above of “U.S. Person” in the CFTC’s proposed interpretive guidance and policy statement regarding cross-border application of certain swaps provisions of the CEA is accurate as of the date of this Base Prospectus, but is subject to change upon the issuance of final guidance and implementing regulations. Each person who offers, sells, pledges or otherwise transfers ETC Securities has exclusive responsibility for ensuring that its offer, sale, pledge or other transfer is not to or for the account or benefit of any person other than a Permitted Transferee as such term is defined as of the date of such offer, sale, pledge or other transfer.

The ETC Securities have not been approved or disapproved by the United States Securities and Exchange Commission (“**SEC**”) or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the ETC Securities. Any representation to the contrary is a criminal offence. Furthermore, the ETC Securities do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the ETC Securities nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the ETC Securities.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has complied and will comply with the aforementioned transfer and selling restrictions and it will have sent to each dealer to which it sells ETC Securities a confirmation or other notice setting forth the above restrictions on offers and sales of the ETC Securities. Each Authorised Participant has further represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver the ETC Securities of any identifiable Tranche except in accordance with Rule 903 of Regulation S, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such ETC Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of ETC Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such ETC Securities to the public in that Relevant Member State:

- (i) if consent has been given by the Issuer to the Authorised Participant for it to make an offer of those ETC Securities other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of the Base Prospectus in relation to such ETC Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant 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 Directive;

- (ii) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants appointed by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ETC Securities referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of ETC Securities to the public” in relation to any ETC Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ETC Securities to be offered so as to enable an investor to decide to purchase or subscribe the ETC Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that:

- (i) in relation to any ETC Securities which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any ETC Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the ETC Securities would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any ETC Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such ETC Securities in, from or otherwise involving the United Kingdom.

Austria

Each Authorised Participant represents, warrants and agrees in the relevant Authorised Participant Agreement that it has not and will not offer any Bearer Securities to the public in Austria, except that an offer of Bearer Securities may be made to the public in Austria:

- (i) in the period beginning one Austrian bank working day:

- (a) following the date of publication of the prospectus including any supplements but excluding any Final Terms, in relation to those Bearer Securities issued by the Issuer which has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* - “**FMA**”) or, where appropriate, approved by the competent authority in another EU Member State and notified to the FMA; and
 - (b) being the date of publication and of communication to the FMA of the relevant Final Terms for the Bearer Securities issued by the Issuer; and
 - (c) being the date of filing of a notification with the Austrian Control Bank (*Oesterreichische Kontrollbank*), all as prescribed by the Austrian Capital Market Act (*Kapitalmarktgesetz*, Federal Law Gazette No 625/1991, as amended - “**KMG**”); or
- (ii) otherwise in compliance with the KMG.

Each Authorised Participant represents, warrants and agrees in the relevant Authorised Participant Agreement that it has not offered and will not offer any Uncertificated Registered Securities either publicly or by way of private placement in Austria.

Each Authorised Participant represents, warrants and agrees in the relevant Authorised Participant Agreement that it will within any information and/or marketing document or other communication directed to investors clearly disclose to any (potential) investor in the ETC Securities by using a highlighted disclaimer (e.g. in bold letters) the limited recourse character of payments under the ETC Securities which are, *inter alia*, linked to the performance of an underlying index and depend on the creditworthiness of third parties (other than the Issuer), the subordination of Securityholders’ claims to specified claims of the Trustee, the Agents, the Swap Counterparty, the Arranger and other persons specified in the relevant Issue Deed as well as the early redemption risk due to mandatory and optional early redemption events and that it will refer to the Conditions of the Bearer Securities with this respect.

For the purposes of this provision, the expression “an offer of Bearer Securities to the public” means any communication to the public in any form and by any means of sufficient information on the terms of the offer and the Bearer Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Bearer Securities issued by the Issuer.

Belgium

The ETC Securities issued under the Programme will not be placed with “consumers” within the meaning of the Belgian Code of Economic Law.

France

Offer to the public in France

Each of the Authorised Participants represents and agrees in the relevant Authorised Participant Agreement that it has only made and will only make an offer of ETC Securities to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (“**AMF**”) of the approval of the Base Prospectus relating to those ETC Securities by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC, as amended, all in accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus.

Private placement in France

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has not offered or sold and will not offer or sell, directly or indirectly, any ETC Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the ETC Securities and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D. 411-1 of the French *Code monétaire et financier*.

This Base Prospectus has not been submitted to the clearance procedures of the AMF.

Ireland

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that:

- (i) it has not and will not underwrite the issue of, or place, any ETC Securities, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (as amended), including, without limitation, Parts 6, 7 and 12 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended) (to the extent applicable);
- (ii) it has not and will not underwrite the issue of, or place, any ETC Securities, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (iii) it has not and will not underwrite the issue of, or do anything in Ireland in respect of any ETC Securities otherwise than in conformity with the provisions of the Irish Prospectus Directive (2003/71/EC) Regulations 2005, as amended, and any rules issued under Section 1363 of the Irish Companies Act 2014, as amended, by the Central Bank of Ireland;
- (iv) it has not and will not underwrite the issue of, place or otherwise act in Ireland in respect of any ETC Securities, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016, and any rules issued under Section 1370 of the Irish Companies Act 2014, as amended, by the Central Bank of Ireland;
- (v) to the extent applicable, it has and will comply with all applicable provisions of the Irish Companies Act 2014, as amended; and
- (vi) no ETC Securities will be offered or sold with a maturity of less than 12 months except in full compliance with the Central Bank of Ireland Notice BSD C 01/02 (as amended).

The Netherlands

Each Authorised Participant has represented, warranted and agreed, and each further Authorised Participant appointed under the Programme will be required to represent, warrant and agree, that it will not make an offer of ETC Securities that are not to be admitted to trading on a regulated market to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined under "European Economic Area" above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard exemption

wording and logo are disclosed as required by Section 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of ETC Securities shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Sweden

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, that it will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or purchase or sell ETC Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms, or distribute any draft or definitive document in relation to any such offer, invitation or sale in the Kingdom of Sweden, except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*Iag (1991:980) om handel med finansiella instrument*).

General

These selling restrictions may be modified by the agreement of the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification may be set out in a supplement to this Base Prospectus if required.

None of the Issuer or any Authorised Participant represents that the ETC Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Authorised Participant agrees in the relevant Authorised Participant Agreement that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers ETC Securities or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

FORM OF FINAL TERMS

Form of Final Terms for ETC Securities

Final Terms dated [●]

DB ETC INDEX PLC (the “Issuer”)

[Series [●] up to [●][●] ETC Securities due [●] issued under its Secured ETC Index Linked Securities Programme (the “ETC Securities”)]

[Issue of [●] being the Tranche Number [●] of Series [●][●] ETC Securities due [●] issued under its Secured ETC Index Linked Securities Programme (the “ETC Securities”)]

[Series [●][●] ETC Securities due [●] issued under its Secured ETC Index Linked Securities Programme (the “ETC Securities”)]

Part A – Contractual Terms

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the final terms of the ETC Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [(as so supplemented)]. A summary of the individual issue is annexed to the Final Terms. Full information on the Issuer and the offer of the ETC Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the Supplement to the Base Prospectus] [is] [are] available for viewing on the website maintained on behalf of the Issuer at <http://etc.deutscheawm.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202017>, at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent and copies may be obtained from the offices of each Paying Agent.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the supplemental Prospectus dated [●]]. This document constitutes the Final Terms of the ETC Securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [●] [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. A summary of the individual issue is annexed to the Final Terms. The Conditions shall be the terms and conditions of the ETC Securities as set out in the section entitled “Master Terms and Conditions of the ETC Securities” of the Base Prospectus dated [●] which are incorporated by reference into the Base Prospectus dated [●]. Full information on the Issuer and the offer of the ETC Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [current date] [and the supplemental Prospectus dated [●]]. [The Base Prospectuses [and the supplemental Prospectus(es)] are available for viewing on the website maintained on behalf of the Issuer at <http://etc.deutscheawm.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20Index%20plc%20-%20Base%20Prospectus%202017>, at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent and copies may be obtained from the offices of each Paying Agent.]]

- | | | |
|---|--|---|
| 1 | (i) Series Number: | [•] |
| | (ii) Tranche Number (where applicable): | [•]/[Not Applicable] |
| 2 | Specified Currency: | [USD]/[EUR]/[•] |
| 3 | Principal financial centre for the Specified Currency: | [•]/[Any city in which banks in general have access to the TARGET System] |
| 4 | Aggregate Number of ETC Securities: | |
| | (i) Of Series: | [•] |
| | (ii) Of Tranche (if different): | [•]/[Not applicable] |
| 5 | Issue Price per ETC Security: | |
| | (i) As at Series Issue Date: | [•] |
| | (ii) Of Tranche (where applicable): | [•]/[Not Applicable] |
| 6 | (i) Series Issue Date: | [•] |
| | (ii) Issue Date of Tranche (if different from Series Issue Date and where applicable): | [•]/[Not Applicable] |
| | (iii) Subscription Trade Date of Tranche (where applicable): | [•]/[Not Applicable] |
| | (iv) Date on which Board approval for issuance of ETC Securities obtained: | [•] |
| 7 | Scheduled Maturity Date: | [•] (unless such date is not a Scheduled Valuation Day, in which case that date will be the first following day that is a Scheduled Valuation Day). |
| 8 | Index: | [•] |
| 9 | Index Sponsor: | [•] as at the [Series Issue Date]/[Issue Date]/[date of these Final Terms] |

TRANSACTION PARTIES

- | | | |
|----|----------------------------|--|
| 10 | Swap Calculation Agent: | [Deutsche Bank AG]/[•] and any successor or replacement thereto. |
| 11 | Authorised Participant(s): | (i) As at the Series Issue Date:
[Deutsche Bank AG, [•]]/[•].
(ii) Any Eligible Authorised Participant that is appointed as an Authorised Participant for this Series of ETC Securities under the Authorised Participant Agreement by acceding to the Issue Deed and the Authorised Participant Agreement, and any |

		successor or replacement thereto.
12	Paying Agent(s):	The Issuing and Paying Agent, [●][and [●]][and the German Paying Agent], and any successor or replacement thereto.
13	German Paying Agent(s):	[[Deutsche Bank AG, Frankfurt, [●]/[●] and any successor or replacement Paying Agent appointed under the Agency Agreement.] / [Not applicable]
14	Registrar:	[[Computershare Investor Services (Jersey) Limited, [●]/[●] and any successor or replacement thereto.]/[Not Applicable]
15	Transfer Agent:	[●]/[Not Applicable].
16	Eligible Authorised Participant Threshold Rating:	[●] by [Fitch][Moody's][S&P].
17	Eligible Counterparty Threshold Rating:	[●] by [Fitch][Moody's][S&P].
18	Eligible Custodian Threshold Rating:	[●] by [Fitch][Moody's][S&P].

PROVISIONS RELATING TO REDEMPTION

19	Final Redemption Valuation Date:	Expected to be [●].
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PROVISIONS RELATING TO FEES

20	Collateral Fee Percentage:	
	(i) Collateral Fee Percentage relating to Gold:	[●] / [Not Applicable]
	(ii) Collateral Fee Percentage relating to Eligible Financial Instruments:	[●] / [Not Applicable]
	(iii) Maximum Collateral Fee Percentage for Eligible Financial Instruments:	[●]
21	Gold Spread:	
	(i) Gold Spread:	[●]
	(ii) Maximum Gold Spread:	[●]
22	Lease Rate:	[●]
23	Product Fee Percentage:	
	(i) Product Fee Percentage:	[●]
	(ii) Maximum Product Fee Percentage:	[●] per cent. per annum
24	Swap Replication Fee Percentage:	[Applicable]/[Not Applicable]
	(i) Swap Replication Fee Percentage:	[●] / [Not Applicable]
	(ii) Maximum Swap Replication Fee Percentage:	[[●] per cent. per annum]/[0.0 per cent. per annum]

PROVISIONS RELATING TO THE SWAP TRANSACTION AND POSTED COLLATERAL

- 25 Initial Swap Term: [50 years]/[●]
- 26 Posted Collateral as at Series Issue Date: [Gold]/[Eligible Financial Instruments]

PROVISIONS RELATING TO MASTER TERMS

- 27 Version number and date of relevant version of:
- (i) Master Agency Terms: [Master Agency Terms: version number [●], dated [●] relating to the Programme.] /
[Master Agency Terms for Uncertificated Registered Securities: version number [●], dated [●] relating to the Programme.]
 - (ii) Master Authorised Participant Terms: Version number [●], dated [●] relating to the Programme.
 - (iii) Master Custody Terms: Version number [●], dated [●] relating to the Programme.
 - (iv) Master Determination Agent Terms: Version number [●], dated [●] relating to the Programme.
 - (v) Master Security Terms: Version number [●], dated [●] relating to the Programme.
 - (vi) Master Swap and Credit Support Terms: Version number [●], dated [●] relating to the Programme.
 - (vii) Master Terms and Conditions: Version number [●], dated [●] relating to the Programme.
 - (viii) Master Trust Terms: [Master Trust Terms for Bearer Securities: Applicable Version number [●] dated [●] relating to the Programme.] / [Master Trust Terms for Uncertificated Registered Securities: Applicable Version number [●] dated [●] relating to the Programme.]

GENERAL PROVISIONS APPLICABLE TO THE ETC SECURITIES

- 28 Form of ETC Securities: [Bearer Securities: Applicable
[NGN form: Applicable]/[CGN form: Applicable]
Global Security which is exchangeable for Definitive Security in the limited circumstances specified in the Global Security]
/
[Uncertificated Registered Securities: Applicable]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of ETC Securities described herein pursuant to the Secured ETC Index Linked Securities Programme.]

Signed on behalf of the Issuer:

By:

Duly authorised

Part B – Other Information

1 LISTING

- (i) Listing and admission to trading: [Application has been made for the ETC Securities to be admitted to the [official list of the London Stock Exchange]/[and/or Euronext Paris]/[and/or Euronext Amsterdam]/[and/or Frankfurt Stock Exchange]/[and/or Luxembourg Stock Exchange]/[and/or Borsa Italiana]/[and/or OMX Nordic Exchange]/[and/or SIX Swiss Exchange] and for the ETC Securities to be admitted to trading on the regulated market(s) and/or main market(s) thereof.]/[Not Applicable]
- (ii) Relevant Stock Exchange(s): [[London Stock Exchange]/[and/or Euronext Paris]/[and/or Euronext Amsterdam]/[and/or Frankfurt Stock Exchange]/[and/or Luxembourg Stock Exchange]/[and/or Borsa Italiana]/[and/or OMX Nordic Exchange]/[and/or SIX Swiss Exchange].] / [Not Applicable]
- (iii) Estimate of total net proceeds of the issue: [●]
- (iv) Estimate of the total expenses of the issue: [GBP 5,000]/[●]
- (v) Estimate of total expenses related to admission to trading: [GBP 2,000]/[●]

2 RATINGS:

- Ratings: [Not Applicable]
[The ETC Securities to be issued [have been]/[are expected to be] rated [[●] by S&P][[●] by Moody's][[●] by Fitch].]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save as discussed in “*Subscription and Sale*”, so far as the Issuer is aware, no person involved in the offer of the ETC Securities has an interest material to the offer.] / [●]

4 REASONS FOR THE OFFER

Reasons for the offer: [See section headed “*Use of Proceeds*” in the Base Prospectus.]/[●]

5 PERFORMANCE OF INDEX OR INDICES AND OTHER INFORMATION CONCERNING THE INDEX OR INDICES

Summary of the Index

[Details of the past and future performance and volatility of the Index can be obtained from [www.etc.db.com]/[●].]

[Deutsche Bank’s disclaimer]

Although the Index Sponsor will obtain information for inclusion in or for use in the calculation of the Index from source(s) which the Index Sponsor considers reliable, the Index Sponsor will not independently verify such information and does not guarantee the accuracy and / or the completeness of the Index or any data included therein. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index

Sponsor is under no obligation to advise any person of any error therein. Unless otherwise specified, no transaction relating to the Index is sponsored, endorsed, sold or promoted by the Index Sponsor and the Index Sponsor makes no express or implied representations or warranties as to (a) the advisability of purchasing or assuming any risk in connection with any such transaction (b) the levels at which the Index stands at any particular time on any particular date (c) the results to be obtained by the issuer of any security or any counterparty or any such issuer's security holders or customers or any such counterparty's customers or counterparties or any other person or entity from the use of the Index or any data included therein in connection with any licensed rights or for any other use or (d) any other matter. The Index Sponsor makes no express or implied representations or warranties of merchantability or fitness for a particular purpose with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall the Index Sponsor have any liability (whether in negligence or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.] / [●]

6 OPERATIONAL INFORMATION

ISIN:	[●]
Common Code:	[●]
SEDOL:	[●]/[Not Applicable]
WKN:	[●]/[Not Applicable]
Relevant Clearing System:	[CREST][Euroclear][Clearstream, Frankfurt][Clearstream, Luxembourg][●]
Delivery:	Delivery [against]/[free of] payment
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes]/[No]

7 TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price]/[●]
Conditions to which the offer is subject:	[Not Applicable]/[●]
Description of the time period, including any possible amendments, during which the offer will be open and description of the application process:	[Not Applicable]/[●]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable]/[●]
Details of the minimum and/or maximum amount of application:	[Not Applicable]/[●]
Details of the method and time limits for paying up and delivering the ETC Securities:	[Not Applicable]/[●]
Manner in and date on which results of the offer are to be made public:	[Not Applicable]/[●]
Procedure for exercise of any	[Not Applicable]/[●]

right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Tranche(s) which has/have been reserved for certain countries: [Not Applicable]/[●]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable]/[●]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable]/[●]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None]/[●]

Annex – Issue Specific Summary

[Issue specific summary to be inserted]

GENERAL INFORMATION

- 1 The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Jersey at the date of the Base Prospectus in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 19 January 2010.
- 2 There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer, in each case, since 31 December 2016.
- 3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of the Base Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.
- 4 The ETC Securities represent indebtedness of the Issuer. ETC Securities may be accepted for clearance through any Clearing System including CREST, Euroclear and Clearstream, Luxembourg and Clearstream Banking, Frankfurt (which are the entities in charge of keeping the records). ETC Securities will be cleared through the Relevant Clearing System in whole numbers of ETC Securities only (for these purposes an ETC Security may be referred to as a unit by the relevant Clearing System).

The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the CUSIP and CINS number and PORTAL system and identification number for each Series of ETC Securities will be set out in the relevant Final Terms.

The address for CREST is Euroclear UK and Ireland Limited, 33 Cannon Street, London, EC4M 5SB.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

The address of Clearstream Banking, Frankfurt is Mergenthalerallee 61, 65760 Eschborn, Germany.

The address for SIX SIS AG is Brandschenkestrasse 47, CH-8022 Zurich.

The address of any other Clearing System that is a Relevant Clearing System for a Series of ETC Securities will be specified in the relevant Final Terms.

- 5 The Issue Price of, and the number of ETC Securities comprising, each Tranche of ETC Securities will be determined before filing of the relevant Final Terms. Save as otherwise provided in Condition 9(d) the Issuer will provide post-issuance information in relation to the Value per ETC Security of the ETC Securities in respect of each Scheduled Valuation Day by no later than 16:00 London time on the immediately following Scheduled Valuation Day on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19).
- 6 For so long as ETC Securities may be issued pursuant to the Base Prospectus (in respect of paragraphs 7.1 to 7.12) and for so long as any listed ETC Securities remain outstanding, the current version of each of the documents specified below (together with all earlier versions of such documents to the extent that there are ETC Securities of any Series outstanding in respect of which the version in question of such document is still relevant) will be available in physical format, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent:

6.1 the Master Terms and Conditions;

- 6.2 the Master Trust Terms for Bearer Securities (which include the forms of the Global Securities and the Definitive Securities);
 - 6.3 the Master Trust Terms for Uncertificated Registered Securities;
 - 6.4 the Master Security Terms;
 - 6.5 the Master Agency Terms;
 - 6.6 the Master Agency Terms for Uncertificated Registered Securities;
 - 6.7 the Master Custody Terms;
 - 6.8 the Master Determination Agent Terms;
 - 6.9 the Master Swap and Credit Support Terms;
 - 6.10 the Master Authorised Participant Terms;
 - 6.11 the Memorandum and Articles of Association of the Issuer;
 - 6.12 the Declaration of Charitable Trust;
 - 6.13 a copy of this Base Prospectus together with any supplement hereto;
 - 6.14 the Report and Financial Statements of the Issuer for the period from 1 January 2015 to 31 December 2015 and the Report and Financial Statements of the Issuer for the period from 1 January 2016 to 31 December 2016;
 - 6.15 each Issue Deed;
 - 6.16 each Swap Transaction Confirmation;
 - 6.17 each set of Final Terms;
 - 6.18 each document referred to in the “*Information Incorporated by Reference*” section of the Base Prospectus; and
 - 6.19 such other documents (if any) as may be required by the rules of any Relevant Stock Exchange.
- 7** The Issuer has prepared audited financial statements for the periods from 1 January 2015 to 31 December 2015 and from 1 January 2016 to 31 December 2016. Such financial statements are incorporated by reference into and shall form part of this Base Prospectus.
- 8** Where the Final Terms indicate that a Series of ETC Securities is “Intended to be held in a manner which would allow Eurosystem eligibility”, such designation simply means that the ETC Securities are intended upon issue to be deposited with one of the ICDSs as common safekeeper and does not necessarily mean that the ETC Securities will 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. Such recognition will depend upon the ECB being satisfied of Eurosystem eligibility.

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