

15 November 2023

## **MASTER TRUST TERMS**

for

XTRACKERS (JERSEY) ETC PLC

Secured Xtrackers (Jersey) ETC PLC Carbon Linked Securities Programme

**Linklaters**

Linklaters LLP

Ref: L-320616

## Introduction

- (A) These Master Trust Terms have been prepared in relation to the Secured Xtrackers (Jersey) ETC PLC Carbon Linked Securities Programme (the “**Programme**”) of Xtrackers (Jersey) ETC PLC (the “**Issuer**”).
- (B) It is proposed that these Master Trust Terms will form the basis of the documentation for a Series of Carbon ETC Securities issued under the Programme, as modified and supplemented in each case. In addition, these Master Trust Terms set out the duties and obligations of the Trustee (as defined below) in relation to the relevant Series of Carbon ETC Securities.
- (C) Upon the execution of the relevant Issue Deed relating to a Series of Carbon ETC Securities by or on behalf of the persons party thereto in the capacities of (i) Issuer, (ii) Trustee, (iii) Programme Administrator and (iv) Issuing Agent, such persons (together with any other person specified to be a party to the trust deed in the relevant Issue Deed) shall be deemed to have entered into a trust deed with effect from the relevant Series Issue Date in respect of such Series of Carbon ETC Securities. References to “**this Trust Deed**” and the “**relevant Trust Deed**” shall mean the trust deed entered into as a deed by the Issuer, the Trustee and any other parties by the execution and delivery of the relevant Issue Deed and in the form of these 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 in respect of the relevant Series.
- (D) Each Series of Carbon ETC Securities will be constituted by a separate Trust Deed pursuant to an Issue Deed and secured by separate Security Documents (each as defined below).
- (E) The person executing an Issue Deed relating to a Series of Carbon ETC Securities in the capacity of trustee is referred to in these Master Trust Terms in relation to such Series of Carbon ETC Securities as the “**Trustee**”.

## 1 Interpretation

- 1.1 Definitions:** Capitalised terms used in these Master Trust Terms but not otherwise defined shall have the meanings given to them in the Conditions relating to the relevant Series of Carbon ETC Securities or the relevant Issue Deed (in the event of any inconsistency between the Conditions relating to the relevant Series of Carbon ETC Securities and the relevant Issue Deed, the Issue Deed shall prevail) and the following terms shall have the following meanings:

“**Allowance(s) Security Document**” means the Luxembourg Law Pledge Agreement.

“**Authority**” means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction.

“**Buy-Back Order**” has the meaning given to it in clause 3.1 (*Agreement to Buy-Back*) of the relevant Authorised Participant Agreement, being each request from an Authorised Participant appointed in respect of a relevant Series of Carbon ETC Securities (such request to be made by no later than the time on any Business Day on or after the Series Issue Date which shall be separately agreed between the Issuer, the relevant Authorised Participant and the Programme Administrator from time to time and in such manner as may be agreed between the Issuer, the relevant Authorised Participant and the Programme Administrator) that the Issuer buy back Carbon ETC Securities of the relevant Series of Carbon ETC Securities in the number of Carbon ETC Securities specified in such request.

“**Carbon ETC Securities**” means securities issued by Xtrackers (Jersey) ETC PLC pursuant to the Programme, and, for the avoidance of doubt, includes all Tranches of each Series whenever issued.

**“CGN”** means a Global Security in classic global note form, in the form set out in Schedule 1 Part A.

**“Common Depository”** means, in relation to a Series of Carbon ETC Securities issued in CGN form, the common depository for (i) Euroclear, (ii) Clearstream, Luxembourg or (iii) any other recognised clearing system in which Carbon ETC Securities may be cleared, which is appointed in respect of such Series.

**“Common Safekeeper”** means, in relation to a Series of Carbon ETC Securities issued in NGN form, the common safekeeper for (i) Euroclear, (ii) Clearstream, Luxembourg or (iii) any other recognised clearing system in which Carbon ETC Securities may be cleared, which is appointed in respect of such Series.

**“Conditions”** means the terms and conditions of the relevant Series of Carbon ETC Securities comprising the master terms and conditions set out in Schedule 4 (*Master Terms and Conditions*) hereto and relating to the relevant Series of Carbon ETC Securities as supplemented and/or varied or completed, as applicable, by Part A of the relevant Final Terms relating to such Carbon ETC Securities as set out in the Issue Deed in respect of the first Tranche of that Series and the provisions of any Global Security.

**“English Law Security Deed”** means, in respect of a Series, the security deed governed by English law relating to such Series of Carbon 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 English Law Security Terms (as amended and/or supplemented by the Issue Deed) and as such English Law Security Deed is amended, supplemented, novated or replaced from time to time.

**“Extraordinary Resolution”** means, in respect of a Series, a resolution passed at a meeting duly convened and held in accordance with the relevant 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 Carbon ETC Securities who for the time being are entitled to receive notice of a meeting held in accordance with the relevant 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 relevant Trust Deed.

**“Global Security”** means, in respect of a Series, the permanent global security (in bearer form) which represents one or more Tranches of the same Series of Carbon ETC Securities and which shall be substantially in the form set out in Schedule 1 Part A or Schedule 1 Part B hereto (as applicable).

**“Issue Deed”** means, in respect of a Series, the issue deed in respect of such Series of Carbon ETC Securities substantially in the form set out in Schedule 3 hereto or such other form as may be approved by the Trustee, incorporating these Master Trust Terms made between, *inter alios*, the Issuer, the Trustee and the other parties specified therein and which constitutes such Series of Carbon ETC Securities (as amended, supplemented, novated or replaced from time to time) and which will be entered into at the time of the first Tranche of Carbon ETC Securities for that Series and which will apply, without further action and without the need for re-execution or execution of a new Issue Deed, to any further Tranches of that Series. Any document which amends, supplements or replaces a Transaction Document originally constituted by the Issue Deed shall itself be considered to be part of the Issue Deed as between the parties to such document.

**“Jersey Law Security”** means the security constituted by the Jersey Law Security Interest Agreement.

**“Jersey Law Security Interest Agreement”** means, in respect of a Series, the security interest agreement governed by the laws of Jersey relating to such Series of Carbon ETC Securities entered into by the Issuer and the Trustee by the execution of the Issue Deed and in the form of the Master Jersey Law Security Terms (as amended and/or supplemented by the Issue Deed) and as such Jersey Law Security Interest Agreement is amended, supplemented, novated or replaced from time to time.

**“Luxembourg Law Pledge Agreement”** means, in respect of a Series, the pledge agreement governed by Luxembourg law relating to such Series of Carbon ETC Securities entered into by the Issuer, the Trustee and the Custodian by the execution of the Issue Deed and in the form of the Master Luxembourg Law Security Terms (as amended and/or supplemented by the Issue Deed) and as such Luxembourg Law Pledge Agreement is amended, supplemented, novated or replaced from time to time.

**“Master English Law Security Terms”** means, in respect of a Series, the master English law security terms relating to the Programme and specified in the relevant Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Jersey Law Security Terms”** means, in respect of a Series, the master Jersey law security terms relating to the Programme and specified in the relevant Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Luxembourg Law Security Terms”** means, in respect of a Series, the master Luxembourg law security terms relating to the Programme and specified in the relevant Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Trust Terms”** means, in respect of a Series, the master trust terms specified in the Issue Deed relating to such Series of Carbon ETC Securities as relating to that Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Mirror Custody Account(s)”** means any cash or financial instruments accounts opened by the Issuer with the Custodian in respect of the relevant Series of Carbon ETC Securities. For the avoidance of doubt, the Series Carbon Account and the Series Cash Account are not Mirror Custody Account(s).

**“NGN”** means a Global Security in new global note form, in the form set out in Schedule 1 Part B.

**“relevant Series of Carbon ETC Securities”** means the Series of Carbon ETC Securities constituted by the Trust Deed relating to such Series as identified in the Issue Deed relating to such Series and incorporating these Master Trust Terms and shall include each Tranche of Carbon ETC Securities which are to be consolidated to form a single series with the Carbon ETC Securities of such Series with effect from the Tranche Issue Date.

**“Security Document”** means, in respect of a Series, the English Law Security Deed or the Jersey Law Security Interest Agreement or the Allowance(s) Security Document for such Series, as the context may require, and **“Security Documents”** shall refer to all of them.

**“Series”** means, in respect of Carbon ETC Securities, all Carbon ETC Securities having the same ISIN or other securities identifier.

**“Specified Currency”** means, in relation to the relevant Series of Carbon ETC Securities, the euro.

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

“**trust corporation**” means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees.

“**Trust Deed**” means, in respect of a Series, the trust deed relating to such Series of Carbon ETC Securities entered into as a deed by the Issuer, the Trustee and any other parties 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 Acts**” means the Trustee Act 1925 of England and Wales and the Trustee Act 2000 of England and Wales, as amended.

## **1.2 Construction of certain references:** References to:

- 1.2.1 costs, charges, remuneration or expenses include any value added, turnover or similar tax charged in respect thereof;
- 1.2.2 an action, remedy or method of judicial proceedings for the enforcement of creditors’ rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto;
- 1.2.3 any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof, or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
- 1.2.4 Clauses and Schedules shall be construed as references to, respectively, the Clauses and Schedules to these Master Trust Terms;
- 1.2.5 the Issuer, any Transaction Party and any other person include its successors in title, permitted assigns and permitted transferees; and
- 1.2.6 “**Carbon ETC Securities**” are, unless the context otherwise requires, to the Carbon ETC Securities of the relevant Series of Carbon ETC Securities to which the relevant Issue Deed relates for the time being outstanding, including all Tranches of Carbon ETC Securities thereof (even where issued after the date of the Issue Deed executed at or around the Series Issue Date) and any replacement Carbon ETC Securities issued pursuant to the Conditions only and not to all Carbon ETC Securities that may be issued under the Programme.

**1.3 Application:** These Master Trust Terms shall apply separately to each relevant Series of Carbon ETC Securities except as otherwise provided in the Issue Deed relating to the relevant Series of Carbon ETC Securities and the terms herein shall be construed accordingly.

**1.4 Headings:** Headings shall be ignored in construing these Master Trust Terms.

**1.5 Contracts:** References in the Issue Deed and these Master Trust Terms to these Master Trust Terms or any other document are to these Master Trust Terms or such other document as amended, supplemented or replaced from time to time in relation to the Series and include any document that amends, supplements or replaces them.

**1.6 Schedules:** The Schedules are part of these Master Trust Terms and have effect accordingly.

**1.7 Relevant Clearing System:** References in these Master Trust Terms to the Relevant Clearing System shall, wherever the context so permits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Issuing Agent.

## **2 Issue of Carbon ETC Securities and Covenant to Pay or Deliver**

### **2.1 Issue of Carbon ETC Securities:**

**2.1.1** The Issuer may from time to time issue Carbon ETC Securities in one or more Tranches of the Series to which this Trust Deed relates on a continuous basis in accordance with the relevant Trust Deed, the Conditions relating to the relevant Series of Carbon ETC Securities and the relevant Authorised Participant Agreement.

**2.1.2** In respect of a valid Subscription Order accepted by the Issuing Agent on behalf of the Issuer following the Series Issue Date, notwithstanding anything to the contrary, the corresponding Carbon ETC Securities shall only be issued and settled following (A) delivery of a number of Allowance(s) equal to the Subscription Settlement Amount to the relevant Series Carbon Account in respect of the relevant Series of Carbon ETC Securities (at the time agreed pursuant to the relevant Authorised Participant Agreement) and (B) receipt by the Issuing Agent of a notice from the Carbon Accounts Administrator confirming that such number of Allowance(s) equal to the Subscription Settlement Amount has been delivered to the relevant Series Carbon Account.

**2.1.3** Upon the issue by the Issuer of any Carbon ETC Securities expressed to be constituted by the relevant Trust Deed, such Carbon ETC Securities shall forthwith be constituted by such Trust Deed without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the relevant Conditions and/or the Trust Deed or the Programme Maximum Number of Carbon ETC Securities. The Trust Deed for a Series constituted by the Issue Deed executed at or around the Series Issue Date (being the issue date of the first Tranche of that Series) shall apply to all Carbon ETC Securities of that Series, including, without any further action, any Tranche of that Series that is consolidated and forms a single series of securities with the Carbon ETC Securities comprising such Series irrespective of the date of issue of such Tranche.

**2.2 Separate Series:** Where Carbon ETC Securities are issued, unless for any purpose the Trustee in its absolute discretion shall determine otherwise or unless otherwise specified in the relevant Trust Deed or in these Master Trust Terms, all the provisions of these Master Trust Terms shall apply *mutatis mutandis* separately and independently to each Series of Carbon ETC Securities and, where appropriate, each Tranche, and, in respect of each such Series and each such Tranche, the expressions "Securityholders", "Series Carbon Account", "Programme Administrator", "Secured Creditor", "Other Creditor", "Underlying Allowance(s)" and "Secured Property", together with all other terms that relate to Carbon ETC Securities or their Conditions, shall be construed as referring to those of the particular Series or Tranche in question and not to all Series or all Tranches of Carbon ETC Securities issued under the Programme unless expressly so provided, so that each Series and, if applicable, each such Tranche shall be constituted by a separate trust and that, unless expressly provided, events affecting one Series shall not affect any other.

**2.3 Covenant to Pay or Deliver:** The Issuer shall, on any date on which a payment of Principal (or any other amount) payable and/or assets deliverable in respect of any Carbon ETC Securities of the Series becomes due in accordance with the Conditions, unconditionally to pay (or procure to be paid) or deliver (or procure to be delivered), as applicable, to or to the order of the Trustee (i) in the Specified Currency and in same day funds in a city in which banks have access to T2, in accordance with the relevant Trust Deed, the Final Redemption Amount or Early Redemption

Amount or such other amount and/or (ii) the assets deliverable, as applicable, in respect of the Carbon ETC Securities which is due and payable or deliverable (as applicable) on that date, provided that (A) payment of Principal or any other amount (as applicable) due under the Carbon ETC Securities pursuant to the Conditions made to the relevant Paying Agent in accordance with the terms of the relevant Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of the relevant amount in respect of the relevant Carbon ETC Securities to the Trustee for the account of the Securityholders except to the extent that there is failure by such Paying Agent to pass such payment to the relevant Securityholders (whether via payment through the Relevant Clearing System or otherwise) and (B) a payment of Principal or any other amount made after the due date for such payment or as a result of the Carbon ETC Securities becoming repayable following an Event of Default or the occurrence of any other Early Redemption Event shall be deemed to have been made when the full amount due has been received by a relevant 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 such Paying Agent to pass such payment to the relevant Securityholders (whether via payment through the Relevant Clearing System or otherwise).

This covenant shall only have effect each time Carbon ETC Securities are issued and outstanding, when the Trustee shall, upon execution of the relevant Issue Deed, hold the benefit of this covenant on trust for itself and the Securityholders of the relevant Series of Carbon ETC Securities according to their respective interests, subject as provided in the relevant Trust Deed.

**2.4 Discharge:** Subject to Clause 2.5, any payment and/or delivery to be made in respect of a Carbon ETC Security by the Issuer or the Trustee may be made as provided in the Conditions and any payment and/or delivery, as applicable, so made shall (subject to Clause 2.5) to that extent be a good discharge of the Issuer or the Trustee, as the case may be (including, in the case of Carbon ETC Securities issued in NGN form whether or not the corresponding entries have been made in the records of the Relevant Clearing System relating to such Carbon ETC Securities).

**2.5 Acting on Trustee Instructions:** At any time after an Enforcement Event (or, in the case of the Issuing Agent or the Paying Agent only, an Event of Default or a Potential Event of Default) has occurred in relation to a particular Series of Carbon ETC Securities (and provided that in respect of an Enforcement Event and in the case of Jersey Law Security only, the Enforcement Notice has been served on the Issuer by the Trustee), the Trustee may:

**2.5.1** by notice in writing to the Issuer and (i) the Issuing Agent and/or any Paying Agents and/or (ii) the Determination Agent (in each case, such notice copied to the Programme Administrator), require the Issuing Agent and/or the Paying Agent(s) and/or the Determination Agent (as applicable), until notified by the Trustee to the contrary and so far as permitted by applicable law to (A) act as agent or agents of the Trustee under the relevant Trust Deed, the relevant Security Document(s) and the Carbon ETC Securities of such Series *mutatis mutandis* on the terms of the relevant Agency Agreement and/or Determination Agent 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 Issuing Agent and Paying Agent(s) and the Determination Agent, as the case may be, will be limited to the amounts for the time being held by the Trustee in respect of the relevant Series of Carbon ETC Securities on the terms of the relevant Trust Deed and the relevant Security Document(s) and which are available (after application in accordance with the relevant order of priority set out in the Conditions, the relevant Security Document(s) or the relevant Trust Deed, as applicable) to discharge such liability) and thereafter to hold all moneys, assets, documents and records held by them (as applicable) in respect of the relevant Series of Carbon ETC Securities to the order of the Trustee or (B) deliver all moneys, assets, documents and records (as applicable)

held by them in respect of the relevant Series of Carbon ETC Securities to or to the order of the Trustee or as the Trustee directs in such notice; and

- 2.5.2 by notice in writing to the Issuer require it to make all subsequent payments in respect of the Carbon ETC Securities to or to the order of the Trustee and not to any paying agent with effect from the receipt of any such notice by the Issuer; and from then until such notice is withdrawn, Clause 2.3(A) shall cease to have effect.

**2.6 Trustee's directions following enforcement:** In respect of instructions to the Issuer and each Transaction Party of the relevant Series of Carbon ETC Securities (including the Carbon Accounts Administrator, the Custodian and the Carbon Counterparty for such Series of Carbon ETC Securities) upon the Security created by the relevant Security Document becoming enforceable following the occurrence of an Enforcement Event and prior to taking any steps to enforce the Security in respect of a Series, clause 2.26 (*Trustee's directions*) of the relevant English Law Security Deed, clause 2.22 (*Trustee's directions*) of the relevant Luxembourg Law Pledge Agreement and clause 2.27 (*Trustee's directions*) of the relevant Jersey Law Security Interest Agreement shall apply as if set out herein.

**2.7 Liabilities of the Issuer Several and Separate:** The liability of the Issuer under each Trust Deed and each of the Transaction Documents to which it is a party is several and is separate in respect of each Series of Carbon ETC Securities. The failure of the Issuer to perform its obligations under the relevant Trust Deed or under any of the Transaction Documents to which it is a party relating to a Series of Carbon ETC Securities shall not release the Issuer from its obligations under the Trust Deed(s) or under any of the Transaction Documents to which it is a party relating to any other Series.

### **3 Form of the Carbon ETC Securities**

**3.1 The Global Securities:** The Carbon ETC Securities of the relevant Series of Carbon ETC Securities are issued in bearer form and shall be represented on issue by a Global Security. The Global Securities shall not be exchangeable for individual definitive bearer securities. Pursuant to the Agency Agreement relating to the Series, following a Global Security being produced in respect of the first Tranche of Carbon ETC Securities, then, instead of providing a new Global Security for any subsequent Tranche of Carbon ETC Securities of that Series, the Issuing Agent shall cause the existing Global Security to be annotated so as to reflect the increase of Carbon ETC Securities for such Series.

**3.2 Signature:** A Global Security for the relevant Series of Carbon ETC Securities shall be signed manually or in facsimile by a duly authorised signatory of the Issuer and shall be authenticated by or on behalf of the Issuing Agent. The Issuer may use the facsimile signature of a person who at the date of execution of the first Issue Deed entered into between the Issuer and the Trustee under the Programme is a duly authorised signatory of the Issuer even if at the time of issue of any Carbon ETC Securities of the relevant Series of Carbon ETC Securities he no longer holds that office. In the case of a Global Security which is in NGN form, the Issuing Agent shall also instruct the Common Safekeeper or the Relevant Clearing System, as applicable, to effectuate the same. Global Securities so executed and authenticated (and effectuated, as the case may be) shall be binding and valid obligations of the Issuer.

### **4 Stamp Duties**

The Issuer shall pay any stamp duty, registration or other similar documentary tax (other than any income, corporation or similar tax), including interest and penalties, payable in Jersey, Belgium, the Netherlands, Luxembourg and the United Kingdom in respect of the creation, issue and offering of the relevant Series of Carbon ETC Securities and the execution and delivery of the



relevant Issue Deed. The Issuer shall also indemnify the Trustee, the Securityholders and each Transaction Party from and against all Taxes (other than any income, corporation or similar tax) paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be, any Transaction Party or Securityholder to enforce the Secured Issuer Obligations under the Conditions, the relevant Trust Deed or the relevant Security Documents relating to the relevant Series of Carbon ETC Securities.

## **5 Declaration of Trust and Application of Moneys**

**5.1 Pre-Liquidation and Pre-Enforcement:** Save for any moneys and/or assets received in connection with the sale or enforcement of all or part of the Security relating to the relevant Series of Carbon ETC Securities constituted by or pursuant to the relevant Security Documents, all moneys and/or assets received by or on behalf of the Trustee in relation to the Issuer's covenant to pay Principal or any other amount payable in respect of that Series pursuant to Clause 2.3 (*Covenant to Pay or Deliver*) shall, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them, subject to Clauses 5.2 (*Accumulation*) and 5.3 (*Investment*):

- 5.1.1 first, to the extent not already paid to the Trustee on behalf of the Issuer by the Programme Administrator pursuant to the costs arrangements set out in clause 4.1 (*Product Fees*) of the Programme Administrator Agreement, 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 Documents and/or the Trust Deed and/or any other Transaction Document (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 Documents and/or the other Transaction Documents and the Trustee's remuneration (other than any income, corporation or similar tax in respect of the Trustee's remuneration));
- 5.1.2 secondly, in payment or satisfaction of any amounts owing to the holders of Carbon ETC Securities of the relevant Series of Carbon ETC Securities *pari passu* and rateably; and
- 5.1.3 thirdly, in payment or delivery of any balance to the Issuer for itself.

If the Trustee holds any moneys and/or assets in respect of the relevant Series of Carbon 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.

**5.2 Accumulation:** If the amount of the moneys at any time available to the Trustee for payment in respect of the Carbon ETC Securities in accordance with Condition 5(b) (*Money Received by the Trustee Prior to Enforcement of Security*) or 5(c) (*Application of Proceeds of Enforcement of Security*), as applicable, is less than 5 per cent. of the aggregate Value per Carbon ETC Security of the Carbon ETC Securities then outstanding (or, following an Early Redemption Valuation Date or Final Redemption Valuation Date, the Early Redemption Amount or the Final Redemption Amount, as applicable), the Trustee may, 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 5 per cent. of the aggregate Value per Carbon ETC Security of the Carbon ETC Securities then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable Taxes) shall be applied as specified in Condition 5(b) or 5(c), as applicable.

**5.3 Investment:** Moneys held by the Trustee may be (i) invested in its name or under its control in any investments or other assets anywhere, whether or not they produce income, or (ii) 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 shall 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 shall be in investments or assets denominated in the Specified Currency of the relevant Series of Carbon ETC Securities (and, to the extent (if any) that sums received by the Trustee in respect of the relevant Series of Carbon ETC Securities are in a currency other than the Specified Currency of the relevant Series of Carbon ETC Securities, the Trustee may, for the purposes of making investments in accordance with this Clause 5.3 in respect of such Series, convert such sums into the Specified Currency of that Series of Carbon ETC Securities and shall not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise). The Transaction Parties and the Securityholders acknowledge that the Trustee is not providing investment supervision, recommendations or advice.

**5.4 Enforcement:**

**5.4.1** At any time after the Security has become enforceable, only the Trustee may, at its discretion and without further notice take such steps, actions or proceedings as it may think fit against the Issuer to enforce the rights of the holders of the Carbon ETC Securities against the Issuer, whether the same arise under general law, the Trust Deed, the Carbon ETC Securities, any other Transaction Document or otherwise.

To do this, it may, at its discretion, (i) enforce, terminate and/or realise any relevant Transaction Document (other than the Trust Deed) relating to the Carbon ETC Securities of the relevant Series and any Secured Agent Rights 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 relating to the relevant Series of Carbon ETC Securities 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 (and, in respect of the Luxembourg Law Secured Property, in accordance with the Luxembourg Law Pledge Agreement), 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 shall 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.

For purposes of such enforcement, the Trustee may, by notice in writing to the Issuer and the Carbon Counterparty request that the Carbon Counterparty purchases all or any portion of the Underlying Allowance(s) (including any Product Fee Allowance(s)) from the Issuer and the Carbon Counterparty shall consider such request and shall use commercially reasonable efforts acting in good faith to accept a corresponding offer from the Issuer in respect of such sale (on the terms as agreed between the Trustee and the Carbon Counterparty at the time), pursuant to clause 11.7 (*Security Enforcement*) of the relevant Carbon Counterparty Agreement.

The Trustee may, in writing, appoint a receiver over all or part of the Secured Property relating to the Carbon 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.

- 5.4.2** Should the Trustee take legal proceedings against the Issuer to enforce any of the provisions of this Trust Deed, the Carbon ETC Securities, any other Transaction Document or otherwise, proof therein that as regards any specified Carbon ETC Security the Issuer has defaulted in paying any Final Redemption Amount or Early Redemption Amount due in respect of such Carbon ETC Security shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Carbon ETC Securities which are then due and repayable, pursuant to Clause 10.2 (*Proof of default*).
- 5.4.3** The Security over the Secured Property shall become enforceable if (i) payment of Principal in respect of the relevant series of Carbon ETC Securities is not made in full when due on the Scheduled Maturity Date or the relevant Scheduled Early Redemption Date (if applicable) or (ii) upon the occurrence of a Carbon Counterparty FTP Consequence (in each case, an “**Enforcement Event**”).

As soon as reasonably practicable upon the occurrence of an Enforcement Event and prior to taking any steps to enforce the Security in respect of a Series, the Trustee shall give notice in writing to the Issuer and each Transaction Party of the relevant Series of Carbon ETC Securities (such notice, an “**Enforcement Notice**”) (i) that the Trustee intends to enforce the Security in respect of a Series; (ii) that the Carbon Accounts Administrator shall act in accordance with clause 5.2 (*Trustee’s directions*) of the relevant Carbon Accounts Administrator Agreement; (iii) that the Custodian and the Carbon Accounts Administrator shall act in accordance with clause 16 (*Enforcement*) of the relevant Custody Agreement; (iv) that the Determination Agent shall cease to notify the Issuer of Allowance(s) Sale Request Details and the Product Fee Allowance(s) Sale Request Details (as defined in the relevant Carbon Counterparty Agreement), the Issuer shall cease to offer to sell Allowance(s) to the Carbon Counterparty and the Carbon Counterparty shall cease to accept further offers of sale of Allowance(s) (including Product Fee Allowance(s)) from (or delivered on behalf of) the Issuer in respect of the relevant Series of Carbon ETC Securities (except at the Trustee’s request or on its instructions pursuant to clause 11.7.1 (*Carbon Counterparty obligations following Security enforcement*) of the relevant Carbon Counterparty Agreement); (v) that the Issuer shall act in accordance with clause 2.26(i) (*Trustee’s directions*) of the relevant English Law Security Deed, clause 2.22(i) (*Trustee’s directions*) of the relevant Luxembourg Law Pledge Agreement and clause 2.27(i) (*Trustee’s directions*) of the relevant Jersey Law Security Interest Agreement and (vi) including a brief description of the relevant Enforcement Event which has occurred, save that any transaction entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice (as defined under the relevant Carbon Counterparty Agreement) has been delivered on or prior to the date such Enforcement Notice was given shall be settled (pursuant to clauses 4.3 (*Delivery of Confirmed Underlying Allowance(s)*) and 5.3 (*Delivery of Product Fee Allowance(s)*) of the relevant Carbon Counterparty Agreement) and the Carbon Counterparty shall take any steps and actions necessary to settle such transaction and/or that are incidental thereto, unless such Enforcement Event occurred due to a Carbon Counterparty FTP Consequence (in respect of a sale

and purchase transaction of Underlying Allowance(s) for the relevant Redemption Disposal Period, in which case the parties shall not be required to take such steps and actions to settle such transaction). On receipt of such Enforcement Notice, the Issuer shall notify the Securityholders of the same on the day of receipt or in any case, as soon as reasonably practicable.

In the case of Jersey Law Security only, the Security in respect of the Jersey Law Secured Property shall only become enforceable following service of the Enforcement Notice on the Issuer by the Trustee.

- 5.4.4** For the avoidance of doubt, subject to Condition 5(d)(ii) (*Application of Proceeds Prior to Enforcement*) and Clauses 5.2 (*Accumulation*) and 5.3 (*Investment*), the Trustee shall apply the proceeds derived from the realisation of the Secured Property by way of enforcement (including any net sale proceeds from any transaction entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice (as defined under the relevant Carbon Counterparty Agreement) was delivered on or prior to the date the Enforcement Notice was given, such transaction to be settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement) in the manner provided in Condition 5(c) (*Application of Proceeds of Enforcement of Security*).

- 5.5 Proceedings:** The Trustee shall not be bound to take any such steps, actions or proceedings as are mentioned in Clause 5.4 unless respectively directed to do so (i) by an Extraordinary Resolution of the Securityholders or (ii) in writing by holders of at least one-fifth in number of the Carbon ETC Securities of the relevant Series then outstanding and, in each case, then only if it shall be indemnified, secured and/or pre-funded to its satisfaction. Only the Trustee may enforce the provisions of this Trust Deed and the Security over the Secured Property in accordance with, and subject to the terms of, the relevant Security Documents.

None of the Secured Creditors, the Other Creditors, the Securityholders of the relevant Series of Carbon ETC Securities or the other Transaction Parties shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of this Trust Deed unless the Trustee, having become bound as aforesaid to take any steps, actions or proceedings, fails or neglects to do so within a reasonable period and such failure shall be continuing.

- 5.6 Post-Liquidation but Pre-enforcement:** For the avoidance of doubt, prior to the enforcement of the Security constituted under each Security Document, the Issuer (or its agent) shall, in respect of an early redemption of the Carbon ETC Securities, apply the Aggregate Net Sale Proceeds from the sale of the Underlying Allowance(s), after taking account of any Taxes incurred, withheld or deducted by or on behalf of the Issuer, in the manner provided in Condition 5(d)(ii) (*Application of Proceeds Prior to Enforcement*).

**5.7 Declaration of Trust**

Upon execution of the relevant Issue Deed incorporating these Master Trust Terms, the Trustee shall be deemed to have declared itself trustee under the relevant Trust Deed of all the covenants, undertakings and interests created by the Security made or given or to be made or given under or pursuant to each Security Document and the other Transaction Documents to which it is a party for itself and the other Secured Creditors in respect of the Secured Issuer Obligations in respect of the relevant Series of Carbon ETC Securities, upon and subject to the terms and conditions of the relevant Security Documents.

## 6 Covenants

So long as any Carbon ETC Security is outstanding, the Issuer shall:

- 6.1 Books of account:** at all times keep proper books of account to the extent required by the authorities and/or legislation of the jurisdiction in which the Issuer is incorporated and at all times keep them separate from those of any other entity or person and, at any time after the occurrence of an Event of Default or Potential Event of Default or at any time after the Security has become enforceable or if the Trustee reasonably believes that such an event has occurred, so far as permitted by applicable law, allow the Trustee and anyone appointed by it, to whom the Issuer has no reasonable objection, access to its books of account at all reasonable times during normal business hours.
- 6.2 Accounts:** at all times maintain its cash accounts and carbon accounts in respect of the Allowance(s) as separate from those of any other entity or person and, while any assets are held directly by it, not commingle such assets with those of any other entity or person.
- 6.3 Use of name:** at all times conduct its business in its own name, use separate stationery, invoices and cheques from any other entity or person and hold itself out as a separate entity from any other entity or person and endeavour to correct any misunderstandings concerning it being a separate entity from any other entity or person as soon as reasonably practicable after becoming aware of the same.
- 6.4 Notice of Events of Default etc.:** promptly give any notice relating to the occurrence of an Event of Default, a Potential Event of Default, an Early Redemption Event, a Disruption Event, a Carbon Accounts Administrator Bankruptcy Event, a Custodian Bankruptcy Event, a Carbon Counterparty Bankruptcy Event, a Suspension Event, a Determination Agent Bankruptcy Event, an Issuing Agent Bankruptcy Event, a Paying Agent Bankruptcy Event, a substitution of the Price Source, the resignation or termination of the appointment of an Agent or if the Security has become enforceable, in each case, that is required to be given to the Trustee by the Issuer in accordance with the Conditions and/or the relevant Trust Deed or procure that the relevant Transaction Party agrees in the applicable Transaction Document to give such notice(s) promptly to the Trustee in accordance with the Conditions and notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default.
- 6.5 Information:** so far as permitted by applicable law, give the Trustee such information as it reasonably requires to perform its functions under the relevant Trust Deed or by operation of law.
- 6.6 Financial statements etc.:** send to the Trustee at the time of their issue any financial statements that the Issuer is required to prepare by the authorities and/or legislation of the jurisdiction in which the Issuer is incorporated or by any Relevant Stock Exchange on which the Issuer has listed Carbon ETC Securities or by which financial statements are required by virtue of such a listing, including, where applicable (but without limitation), every balance sheet, profit and loss account, report or other notice, statement or circular issued or which legally or contractually should be issued, to the members, stockholders or creditors (or any class thereof) of the Issuer.
- 6.7 Display of financial statements etc.:** make available for inspection by Securityholders at the specified offices of the Trustee, the Issuing Agent and the other relevant Paying Agents copies of each balance sheet and profit and loss account (in each case, if any) sent to the Trustee pursuant to Clause 6.6 (*Financial statements etc.*) as soon as practicable after the date of the adoption thereof.
- 6.8 Certificate of duly authorised signatories:** send to the Trustee, in the month in each year in which the anniversary of the execution of the first Issue Deed executed by the Issuer and the Trustee under the Programme falls and also within 14 calendar days of any request by the Trustee,

a certificate of the Issuer signed by any duly authorised signatory of the Issuer to the effect that, such duly authorised signatory 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 5 calendar days before the date of the certificate, no Event of Default or Potential Event of Default or Enforcement Event has occurred since the Certification Date of the last such certificate or (if none) the date of the first Issue Deed referred to above or, if such an event has occurred, giving details of it.

- 6.9 Notices to Securityholders:** send to the Trustee the form of each notice to be given to Securityholders and, once given to the Securityholders of the relevant Series of Carbon ETC Securities, a copy of each such notice, such notice to be in a form previously approved by the Trustee (such approval by the Trustee not to be unreasonably withheld or delayed).
- 6.10 Further acts:** so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Trustee to give effect to the provisions of the relevant Trust Deed.
- 6.11 Notice of late payment:** forthwith upon request by the Trustee, give notice to the Securityholders of the relevant Series of Carbon ETC Securities of any unconditional payment of Principal or any other amount to a paying agent under the relevant Agency Agreement or the Trustee of any sum due in respect of the Carbon ETC Securities of the relevant Series of Carbon ETC Securities made after the due date for such payment.
- 6.12 Listing and trading:** if the Carbon ETC Securities are so listed and traded, use all reasonable endeavours to maintain the listing of the Carbon ETC Securities on the regulated market of the Relevant Stock Exchange(s) but, if it is unable to do so, having used such endeavours, or if the maintenance of such listing or trading is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Securityholders of the relevant Series of Carbon ETC Securities would not be thereby materially prejudiced, instead use all reasonable endeavours to obtain and maintain a listing of the Carbon ETC Securities on another stock exchange and/or admission to trading of the Carbon ETC Securities on another regulated market, in each case approved in writing by the Trustee.
- 6.13 Change in Agents:** to the extent practicable and without prejudice to the terms of the Transaction Documents, give at least 14 calendar days’ prior notice to the Securityholders of the relevant Series of Carbon ETC Securities in accordance with the Conditions of any future appointment, resignation or removal of an Agent or of any change by an Agent of its specified office notified to the Issuer and not make any such appointment or removal without the Programme Administrator’s written approval.
- 6.14 Agency Agreement, Carbon Counterparty Agreement, Determination Agent Agreement, Carbon Accounts Administrator Agreement, Custody Agreement and Programme Administrator Agreement:** comply with its obligations under the relevant Agency Agreement, Carbon Counterparty Agreement, Determination Agent Agreement, Carbon Accounts Administrator Agreement, Custody Agreement and Programme Administrator Agreement and, without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection, *inter alia*, with the occurrence of an insolvency or similar event or proceedings or contractual breach of the relevant Agent’s obligations (as applicable) in the relevant Transaction Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing Agent, (ii) a relevant Paying Agent, (iii) a Determination Agent, (iv) a Programme Administrator, (v) a Carbon Counterparty, (vi) a Carbon Accounts Administrator, (vii) a Custodian and (viii) such other agents as may be required by any stock exchange on which the Carbon ETC Securities may be listed. Where the appointment of any such agent is terminated automatically in accordance with the terms of the relevant Transaction Document, the Issuer shall use its reasonable endeavours

to appoint a replacement therefor in accordance with the terms of the relevant Transaction Document and no breach of this covenant shall occur in connection therewith.

- 6.15 Notice of redemption:** give in respect of any Carbon ETC Security notice of not less than the number of days' notice specified in the Conditions applicable to such Carbon ETC Security to the Trustee of any proposed redemption by the Issuer pursuant to the Conditions.
- 6.16 Compliance:** in relation to each Series, comply with its obligations under the relevant Transaction Documents and use its reasonable endeavours to make such amendments to the relevant Transaction Documents as may be required or approved by the Trustee.
- 6.17 Corporate formalities:** at all times observe all and any corporate formalities, including paying any Taxes when due and filing statements and reports as required, and any other formalities as contained in its constitutional documents.
- 6.18 Residence:** at all times locate its management and maintain its residence in Jersey and outside the United Kingdom and not have a permanent establishment in the United Kingdom for the purposes of United Kingdom taxation (including without limitation for the purposes of Section 19 of the Corporation Tax Act 2009) and, in addition, not have a UK establishment within the meaning of the Overseas Companies Regulations 2009.
- 6.19 Taxes:**
- 6.19.1** maintain its central management and control and its place of effective management only in Jersey and in particular will not be treated under any of the double taxation treaties entered into by Jersey as being resident in any other jurisdiction nor will the Issuer have a permanent establishment or a branch or agency in any jurisdiction other than Jersey under the laws or guidelines of any jurisdiction (other than Jersey); and
  - 6.19.2** conduct its affairs in accordance with its Constitution from within Jersey, that all of the directors of the Issuer are and will be resident in Jersey for tax purposes and that all of the directors have exercised and will exercise their control over the business of the Issuer independently and that all meetings of the directors have been and will be held in Jersey and that those directors (acting independently) exercise their authority only from and within Jersey by taking all key decisions relating to the Issuer in Jersey.
- 6.20 Place of business:** not establish a place of business in England and Wales or have an "establishment" within the meaning of that term as used in Regulation (EU) 2015/848 of the European Parliament and of the Council on Insolvency Proceedings (the "**Insolvency Regulation**") and the Insolvency Regulation as it forms part of "retained EU law", as defined in the European Union (Withdrawal) Act 2018.
- 6.21 Provision of legal opinions:** procure the delivery of legal opinions addressed to the Trustee dated the date of such delivery, in form and content acceptable to the Trustee:
- 6.21.1** from legal advisers reasonably acceptable to the Trustee as to the laws of England on the date of any amendment to these Master Trust Terms (other than any amendment pursuant to an Issue Deed in respect of a particular issue of Carbon ETC Securities);
  - 6.21.2** from legal advisers reasonably acceptable to the Trustee as to the enforceability of the Security constituted by the English Law Security Deed under the laws of England;  
from legal advisers reasonably acceptable to the Trustee as to
    - (i) the enforceability of the Security constituted by the Jersey Law Security Interest Agreement under the laws of Jersey; and

- (ii) the capacity and authority of the Issuer under the laws of Jersey to enter into each of the Transaction Documents;

**6.21.3** from legal advisers reasonably acceptable to the Trustee as to the enforceability of the Security constituted by the Allowance(s) Security Document for the relevant Series of Carbon ETC Securities under the laws by which such Allowance(s) Security Document is governed (including, for the avoidance of doubt, the Security constituted by the Luxembourg Law Pledge Agreement under the laws of Luxembourg, if applicable);

**6.21.4** from legal advisers reasonably acceptable to the Trustee as to such law as may reasonably be requested by the Trustee on the Tranche Issue Date for the Carbon ETC Securities in the event of a proposed issue of Carbon ETC Securities of such a nature and having such features as might lead the Trustee to conclude that it would be prudent, having regard to such nature and features, to obtain such legal opinion(s), or in the event that the Trustee considers it prudent in view of a change (or proposed change) in (or in the interpretation or application of) any applicable law, regulation or circumstance affecting the Issuer, the Trustee, the Carbon ETC Securities, the relevant Trust Deed, the relevant Security Documents or any other relevant Transaction Document; and

**6.21.5** on each occasion on which a legal opinion is given to an Authorised Participant in relation to any Carbon ETC Securities pursuant to the relevant Authorised Participant Agreement (if any), from the legal adviser giving such opinion.

**6.22 Restrictions:** not, without the prior written consent of the Trustee and, other than in respect of any termination of its appointment or action against it, the Programme Administrator, and except as provided for or contemplated in the Conditions or any Transaction Document:

**6.22.1** engage in any business other than (a) the issuance of series of securities (including any Series) and any amendment, exchange, repurchase, cancellation or reissue or resale of the same, (b) the acquisition of Allowance(s) in connection with such issuances and (c) the entry into of related agreements and transactions (including the Transaction Documents for that Series or the same for any other series) and the performing of acts required thereunder or which relate or are incidental thereto or reasonably necessary (in the opinion of the Issuer) in connection therewith or in furtherance thereof (which, for the avoidance of doubt, may occur in connection with this Programme or any other secured securities programme established by the Issuer), and provided that each series of securities:

- (i) shall be secured on assets of the Issuer other than the Issuer's share capital and any assets securing any other series of securities; and
- (ii) shall, together with any related agreements entered into by the Issuer relating specifically to such securities, contain provisions that (x) limit the recourse of any holder of such securities, and of any party to any related agreement entered into by the Issuer relating specifically to such securities, to assets securing such series and not to assets to which any other series of securities have recourse and (y) prevent any persons from instituting any form of insolvency or similar proceedings with respect to the Issuer or any of its directors.

For the avoidance of doubt, agreements entered into by the Issuer with another party in respect of the Programme and relating to multiple series of securities may also contain provisions that limit the recourse of such party, in respect of their claims



against the Issuer that does not relate to a particular series of Carbon ETC Securities, to assets of the Issuer which are not secured assets in respect of any series.

For the avoidance of doubt, acts incidental or reasonably necessary in connection therewith or in furtherance thereof shall include (without limitation): (aa) the appointment of auditors, administrators, corporate administrators, banks, advisers or any other service provider necessary to maintain the Issuer and/or keep it operating and/or to comply with any laws, regulations or rules applicable to it, (bb) the amendment or termination of any related agreement to a series of securities, (cc) the entry into, amendment or termination of any agreement relating to the Issuer generally and not to any specific series of securities but which is to facilitate the issuance by the Issuer of securities and its ongoing administration of the same (including, without limitation, any agreement relating to the operation of one or more allowance(s) accounts), (dd) entering into arrangements designed to allow investors in securities issued by any other issuer to be able to exchange those securities for securities issued by the Issuer and (ee) entering into any arrangements with any party relating to the Programme or any other issue of securities (including the issue of any separate series of securities) to entitle that party to receive any payment from the Issuer provided that such payments are not made from the secured property of any series;

- 6.22.2** cause or permit the terms of the Security granted under each Security Document and the order of priority specified in the Conditions, the Trust Deed and each Security Document, as applicable, to be amended, terminated or discharged (other than as contemplated by the relevant Trust Deed, Security Document and/or the Conditions relating to such Series of Carbon ETC Securities);
- 6.22.3** release any party (other than any Agent) to the relevant Trust Deed, the relevant Security Document or any other relevant Transaction Document relating to a Series of Carbon ETC Securities from any existing obligations thereunder (other than as contemplated by the relevant Trust Deed, Security Document, Determination Agent Agreement, Agency Agreement, Carbon Accounts Administrator Agreement, Programme Administrator Agreement, Carbon Counterparty Agreement, Custody Agreement, any other relevant Transaction Document and/or the Conditions relating to such Series of Carbon ETC Securities);
- 6.22.4** have any subsidiaries;
- 6.22.5** sell, transfer or otherwise dispose of the Secured Property in respect of any Series of Carbon 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 (i) in accordance with the Conditions of the relevant Carbon ETC Securities of any such Series and any other Transaction Document relating to any such Series as may be applicable; and (ii) for liens customarily maintained by clearing systems or depositories;
- 6.22.6** consent to any variation of, or exercise any powers or consent or waiver pursuant to, the Conditions, the relevant Trust Deed, the relevant Security Document or any other Transaction Document relating to any Series of Carbon ETC Securities (other than as contemplated by the Conditions and the relevant Transaction Documents, in each case relating to any such Series);
- 6.22.7** acquire any asset at any time that is not cash and/or not regarded as an Allowance or carry out any other business apart from the holding, managing or both the holding

and the management in each case of cash (in Jersey) and/or Allowance(s) (and activities which are ancillary to that business);

- 6.22.8 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 Carbon ETC Securities);
- 6.22.9 have any employees;
- 6.22.10 issue any shares (other than such shares in the capital of the Issuer as were issued at the date of initial establishment of the Programme and which are ultimately held on charitable trust by its holders) or make any distribution to its shareholders in excess of EUR 1,000 per annum;
- 6.22.11 open or have any interest in any account with a bank or financial institution unless such account (i) is a Series Cash Account or a collection account relating to fees received in connection with the issuance or buy-back of securities of a series or (ii) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it or (iii) opened in connection with any other series of securities or (iv) is otherwise reasonably necessary (in the opinion of the Issuer) in relation to any series of securities or the operation of the Issuer in relation to the issuance of securities;
- 6.22.12 purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- 6.22.13 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 (save as may be required in connection with any exchange offer contemplated in Clause 6.22.1);
- 6.22.14 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;
- 6.22.15 except as contemplated by any transaction document and/or the conditions relating to a series of 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 other series of securities, to any other entity or person;
- 6.22.16 subject as provided in Clause 6.22.1, incur any other indebtedness for borrowed moneys, other than issuing further securities (which may or may not form a single series with any existing series of securities and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such series; or
- 6.22.17 permit or cause any Underlying Allowance(s) to be transferred out of a Series Carbon Account (by giving instructions to the Custodian) other than a transfer made (i) to an Authorised Participant in connection with the settlement of a buy-back from that Authorised Participant and where the buy-back in respect of the Buy-Back Order is at the Buy-Back Redemption Amount; (ii) to the Carbon Counterparty in order to realise Allowance(s) (including any Carry-Over Product Fee Allowance(s)) and such number of Allowance(s) subject to rounding in accordance with clause 5.6 (*Rounding*) of the relevant Carbon Counterparty Agreement) representing the Product Fee as provided in the relevant Carbon Counterparty Agreement; (iii) to the Carbon Counterparty following an Early Redemption Valuation Date or Final Redemption

Valuation Date in accordance with Condition 5(d) and the relevant Carbon Counterparty Agreement; (iv) back to an Authorised Participant in connection with a Subscription Cancellation Notice (as defined in the Authorised Participant Agreement) due to a failure by the Issuer (or the Issuing Agent on its behalf) to cause the Carbon ETC Securities relating to a subscription order to be issued and settled and the relevant subscription order is cancelled pursuant to such Authorised Participant Agreement; (v) back to an Authorised Participant in connection with a failed subscription order due to a failure of the Authorised Participant to deliver the Subscription Settlement Amount in full and the relevant subscription order is cancelled pursuant to such Authorised Participant Agreement; (vi) back to an Authorised Participant in connection with a cancelled subscription order pursuant to clause 2.16 (*Cancellation*) of the relevant Authorised Participant Agreement; (vii) back to a Seed Authorised Participant in connection with an Issuance Cancellation Notice (as defined in the Authorised Participant Agreement) and the relevant subscription order is cancelled pursuant to such Authorised Participant Agreement; (viii) in accordance with the Trustee's instructions, following the occurrence of an Enforcement Event (provided, in the case of the Jersey Law Security only, that the Enforcement Notice has been served on the Issuer by the Trustee) or (ix) otherwise as permitted pursuant to the Conditions, the relevant Trust Deed, each Security Document or any other Transaction Document,

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

- 6.23 Authorised Participants:** (i) notify the Securityholders in accordance with Condition 17 and the Trustee immediately upon there being no Authorised Participant in respect of the Carbon ETC Securities and (ii) give the Trustee at least 30 calendar days' notice before the appointment of any additional Authorised Participant in respect of the relevant Series of Carbon ETC Securities.
- 6.24 Independent Director:** at all times maintain an Independent Director or its equivalent. For the purposes of this provision, "**Independent Director**" means a duly appointed member of the board of directors of the Issuer who must not have been, at the time of such appointment or at any time in the preceding five years, (i) a direct or indirect legal or beneficial owner of the Issuer or any of its Affiliates (if any) (excluding *de minimis* ownership interests), (ii) a creditor, supplier, employee, officer, director, family member, manager or contractor of the Issuer or its Affiliates (if any) or (iii) a person who controls (whether directly, indirectly or otherwise) the Issuer or its Affiliates (if any) or any creditor, supplier, employee, officer, director, manager or contractor of the Issuer or its Affiliates (if any), provided that any employee of the Corporate Services Provider shall be considered an Independent Director.
- 6.25 Separate identity:** at all times maintain a separate legal identity by:
- 6.25.1** conducting its own business in its own name;
  - 6.25.2** maintaining separate financial statements;
  - 6.25.3** observing all corporate or other formalities required by its constituting documents;
  - 6.25.4** maintaining an arm's length relationship with Affiliates (if any);
  - 6.25.5** not acquiring the obligations or securities of its shareholders;
  - 6.25.6** using separate stationery, invoices and cheques; and

6.25.7 holding itself out as a separate legal entity and correcting any known misunderstanding regarding its separate legal identity.

## 7 Remuneration and Indemnification of the Trustee

7.1 **Normal remuneration:** So long as any Carbon ETC Security of the relevant Series of Carbon ETC Securities is outstanding, the Issuer shall pay to the Trustee as remuneration for its services as Trustee the fees and expenses in respect of the services the Trustee has agreed to provide to the Issuer pursuant to the relevant Trust Deed and the relevant Security Documents, as separately agreed between the Programme Administrator and the Trustee in any fee letter(s) entered into between them.

7.2 **Extra remuneration:** If an Event of Default or Potential Event of Default shall have occurred under the relevant Series of Carbon ETC Securities or if the Security becomes enforceable, the Issuer hereby agrees that the Trustee may, following notification to the Programme Administrator, be entitled to be paid additional remuneration. In any other case, if the Trustee finds it expedient or necessary or is requested by the Issuer to undertake duties that they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under the relevant Trust Deed and/or the relevant Security Documents, the Issuer shall, subject to agreement with the Trustee and following notification to the Programme Administrator, pay such additional remuneration as may be agreed with the Trustee (and notified to the Programme Administrator) or, failing agreement as to any of the matters in this Clause 7.2 (or as to such sums referred to in Clause 7.1), as determined by a financial institution (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Programme Administrator and Issuer or, failing such approval, nominated (on the application of the Trustee) by the president for the time being of the Law Society of England and Wales. The expenses involved in such nomination and such financial institution's fee shall be borne by the Issuer. The determination of such financial institution shall be conclusive and binding on the Issuer, the Trustee and the Securityholders. For the avoidance of doubt, any duties undertaken by the Trustee specified as being of an exceptional nature in any fee letter(s) entered into between the Programme Administrator and the Trustee, shall be deemed to be of an exceptional nature for the purposes of this Clause 7.2.

7.3 **Expenses:** The Issuer shall also, on demand by the Trustee and following notification to the Programme Administrator, pay or discharge all costs, charges, liabilities and expenses properly incurred by the Trustee (the "**Trustee Expenses**") which may include the following: (i) Trustee Expenses in the preparation and execution of the relevant Issue Deed and the performance of the Trustee's functions under the relevant Trust Deed and the other Transaction Documents (including, for the avoidance of doubt, the relevant Security Documents) relating to the relevant Series of Carbon ETC Securities, including, but not limited to, legal and travelling expenses and any stamp, documentary, value added, turnover or similar tax charged in respect thereof (save, for the avoidance of doubt, that nothing in the relevant Trust Deed and/or the relevant Security Documents shall require the Issuer to pay, indemnify or hold harmless the Trustee or any other party to the relevant Trust Deed and/or the relevant Security Documents for any income, corporation or similar tax paid by the Trustee in connection with its remuneration) and (ii) Trustee Expenses in connection with any legal proceedings properly brought or contemplated by the Trustee against the Issuer to enforce any provision of the relevant Trust Deed, the Carbon ETC Securities and the other Transaction Documents (including, for the avoidance of doubt, the relevant Security Documents).

Such costs, charges, liabilities and expenses shall:

- 7.3.1** in the case of payments made by the Trustee before such demand, carry interest from the date of the demand at the rate of 2 per cent. per annum over the base rate of Barclays Bank PLC on the date on which the Trustee made such payments; and
- 7.3.2** in all other cases, carry interest at such rate from 30 calendar days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

The Trustee shall also be able to claim interest at the rate set out in Clause 7.3.1 on any fees due and payable to it by the Issuer from 30 calendar days after the date of the demand. All demands by the Trustee for the payment of fees shall be made to the Issuer and copied to the Determination Agent and the Programme Administrator.

All fees payable to the Trustee by the Issuer shall be made without any deduction or withholding for Tax unless any such deduction is required by applicable law, as modified by the practice of any governmental revenue authority, then in effect. If any such deduction or withholding is required, then either the fees payable to the Trustee by the Issuer shall be grossed up or any amounts payable to the relevant tax authority in respect of such fees shall be paid by the Issuer so that, in either case, the amount of fees actually received by the Trustee is the same amount as it would have been entitled to receive had no withholding or deduction been required on such payment.

- 7.4 Indemnity:** Subject to Clauses 8.15 (*Indemnity*) and 9 (*Trustee Liable for Negligence*), and without duplication, the Issuer shall, on demand by the Trustee, indemnify the Trustee in respect of all liabilities and expenses properly incurred by it (in acting as trustee under the relevant Trust Deed and the relevant Security Documents) or by anyone appointed by it or to whom any of its functions may be delegated by it in the carrying out of its functions and against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) that any of them may incur or that may be made against any of them arising out of or in relation to or in connection with its appointment or the exercise of its functions.
- 7.5 Continuing effect:** Clauses 7.3, 7.4 and 7.5 shall continue in full force and effect as regards the Trustee even if it no longer is Trustee.
- 7.6 Apportionment of Trustee expenses between Series of Carbon ETC Securities:** If at any time the Trustee is Trustee in respect of more than one Series of Carbon ETC Securities, the Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Carbon ETC Securities any liabilities and expenses have been incurred by the Trustee and to allocate any such liabilities and expenses between such Series of Carbon ETC Securities.
- 7.7 Trustee expenditure:** Nothing contained in the relevant Trust Deed or any other Transaction Document (including, for the avoidance of doubt, the relevant Security Documents) shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any power, rights, authority or discretion hereunder if it has grounds for believing the repayment of the funds or the provision of an indemnity and/or security and/or pre-funding satisfactory to it against such risk or liability is not assured to it.
- 7.8 No Double-counting:** There shall be no double-counting in respect of any payments made to the Trustee under this Clause 7 (*Remuneration and Indemnification of the Trustee*) in respect of the Trust Deed and the Security Documents.
- 7.9 Trustee Right to Withhold:** The Trustee shall be entitled to make a deduction or withholding from any payment which it makes pursuant to the relevant Trust Deed and/or under the relevant Carbon ETC Securities for or on account of any Tax, if and only to the extent so required by applicable law, in which event the Trustee shall make such payment after such deduction or withholding has

been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld.

## **8 Provisions Supplemental to the Trustee Acts**

- 8.1 Advice:** The Trustee may act on the opinion or advice of, or information (which shall include, for the avoidance of doubt, any report, confirmation or certification) obtained from any expert and shall not be responsible to anyone for any loss occasioned by so acting, whether such advice is obtained by or addressed to the Issuer, the Trustee or any other person. Any such opinion, advice or information may be sent or obtained by letter, fax or electronic communication and the Trustee shall 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.
- 8.2 Officers, employees and agents of the Trustee:** No party may take any proceeding against any officer, employee or agent of the Trustee in respect of any claim it might have against the Trustee or in respect of any act or omission of any kind by that officer, employee or agent. For the avoidance of doubt, and notwithstanding Clause 8.38 (*Contracts (Rights of Third Parties) Act 1999*), an officer, employee or agent of the Trustee (as applicable) may rely on this Clause 8.2. The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee, unless such error of judgment was a result of such officer or employee (as applicable) acting grossly negligently, in breach of trust, in breach of duty or in wilful default.
- 8.3 Trustee to assume performance:** The Trustee need not notify anyone of the execution of the relevant Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, a Potential Event of Default, an Early Redemption Event, a Disruption Event, a Carbon Accounts Administrator Bankruptcy Event, a Custodian Bankruptcy Event, a Carbon Counterparty Bankruptcy Event, a Suspension Event, a Determination Agent Bankruptcy Event, an Issuing Agent Bankruptcy Event, a Paying Agent Bankruptcy Event, a substitution of the Price Source, a resignation or termination of an Agent's appointment has occurred or if the Security 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 relevant Trust Deed, each Security Document, the Carbon 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.
- 8.4 Resolutions and directions of Securityholders:** The Trustee (i) may at any time seek, from the Securityholders, a direction to act in respect of any of its powers, duties, obligations, rights and/or discretions under the Transaction Documents and (ii) shall not be obliged to take any action or proceedings (or refrain from doing so) unless it has received a request or instruction. 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.
- 8.5 Certificate signed by duly authorised signatories:** 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 duly authorised signatory 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.

- 8.6 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 relevant 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.
- 8.7 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.
- 8.8 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 moneys).
- 8.9 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.
- 8.10 Nominees:** In relation to any asset held by it under the relevant Trust Deed, Security Documents or any other relevant Transaction Document, the Trustee may appoint any person to act as its nominee on any terms.
- 8.11 Forged Carbon 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 Carbon ETC Security purporting to be such and later found to be forged or not authentic.
- 8.12 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.
- 8.13 Determinations conclusive:** As between itself and the Securityholders and/or any Secured Creditor and/or any Other Creditor, the Trustee may (provided prior notice has been given to the Programme Administrator) determine all questions and doubts arising in relation to any of the provisions of the relevant Trust Deed, each Security Document or any other Transaction Document (and shall notify the Programme Administrator of its determination). 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.
- 8.14 Currency conversion:** Where it is necessary or desirable for any purpose for the Trustee in connection herewith to convert any sum from one currency to another, it will (unless otherwise provided in the relevant Issue Deed or the 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, the Secured Creditors and the Other Creditors.
- 8.15 Indemnity:** Without prejudice to the right of indemnity by law given to trustees, the Trustee and every receiver, attorney, manager, agent or other person appointed by the Trustee under the relevant Trust Deed and the relevant Security Documents in relation to the Carbon ETC Securities

will be entitled to be indemnified out of the relevant Secured Property (in respect of the relevant Series of Carbon ETC Securities) 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 relevant Trust Deed or the relevant Security Documents and against all actions, proceedings, costs, claims and demands in respect of any acts or omissions relating to the Secured Property, and to the extent not already paid to the Trustee on behalf of the Issuer by the Programme Administrator pursuant to the costs arrangements set out in clause 4.1 (*Product Fees*) of the Programme Administrator Agreement, the Trustee may retain any part of any moneys in its hands arising from the trusts of the relevant Trust Deed and the relevant Security Documents to pay all sums necessary to effect such indemnity and also the remuneration of the Trustee. The Trustee is a Secured Creditor in respect of such Secured Property for all moneys payable to it under Condition 19, this Clause 8 or otherwise. The Trustee is not obliged or required to take any step or action under or in connection with the Carbon ETC Securities, the Security Documents 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. Subject to Clause 18, the indemnity set out in this Clause 8.15 will survive the termination or expiry of the relevant Trust Deed, the relevant Security Documents or the resignation or termination of the appointment of the Trustee.

- 8.16 Issue Deed:** The Trustee assumes no responsibility for, and will not, by the execution of any Issue Deed, be deemed to make any representation as to, the adequacy, sufficiency, validity or enforceability of such Issue Deed or any agreement constituted by the execution thereof.
- 8.17 Transaction Parties:** In acting as Trustee under the relevant Trust Deed and Security Documents, the Trustee does not assume any duty or responsibility to any Transaction Party (other than to pay or deliver, as applicable, to any such party any moneys or assets received and payable or deliverable to it and to act in accordance with the provisions of Condition 5, the relevant Trust Deed and Security Documents) and will have regard solely to the interests of the Securityholders of the relevant Series (for so long as the Carbon ETC Securities of such Series are outstanding). The Trustee is not (subject to the provisions of Clause 17 and Conditions 5 and 13 of the Carbon ETC Securities) 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 (for so long as the Carbon ETC Securities of such Series are outstanding).
- 8.18 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.
- 8.19 Determination or calculation by the Trustee:** If at any time after the Security has become enforceable pursuant to Condition 5(e) and the relevant Security Documents and (i) the Determination Agent does not make any determination or calculation relating to the Allowance(s) Entitlement per Carbon ETC Security, Value per Carbon ETC Security, Final Allowance(s) Redemption Amount, Early Allowance(s) Redemption Amount, Final Redemption Amount or Early Redemption Amount when required pursuant to the Conditions and the Transaction Documents and/or (ii) the Programme Administrator has not made any determination or calculation relating thereto and/or (iii) a Programme Administrator 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 (or agent) 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 (or agent) 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.

- 8.20 Payment for and delivery of Carbon ETC Securities:** The Trustee will not be responsible for the receipt or use by the Issuer of any property received by the Issuer in relation to any issue of Carbon ETC Securities, any exchange of Carbon ETC Securities or the delivery of Carbon ETC Securities to the persons entitled to them.
- 8.21 Legal opinions:** The Trustee will not be responsible to any person for failing to request, require or receive any legal opinion relating to the Carbon ETC Securities or for checking or commenting upon the content of any such legal opinion.
- 8.22 Programme limit:** The Trustee will not be concerned, and need not enquire, as to whether or not any Carbon ETC Securities are issued or entered into in breach of the Programme Maximum Number of Carbon ETC Securities.
- 8.23 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, a Carbon Counterparty Bankruptcy Event, a Carbon Accounts Administrator Bankruptcy Event, a Custodian Bankruptcy Event, a Suspension Event, a Determination Agent Bankruptcy Event, an Issuing Agent Bankruptcy Event, a Paying Agent Bankruptcy Event, a substitution of the Price Source or a resignation or termination of an Agent's appointment or agreement to act (as applicable) has occurred or is continuing or if the Security has become enforceable or to monitor compliance by the Agents, the Programme Administrator or any other Transaction Party with any of their respective obligations under the Transaction Documents.
- 8.24 Responsibility for Appointees:** If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this Clause 8.24 (an "**Appointee**"), it will not have any obligation to supervise the 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.
- 8.25 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 (whereupon the Issuer shall copy such notice to the Programme Administrator).
- 8.26 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.
- 8.27 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 under the 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.

- 8.28 No obligations to monitor Transaction Parties:** The Trustee shall 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).
- 8.29 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.
- 8.30 Authorised Participants:** The Trustee will not be responsible for monitoring or ascertaining whether there are one or more Authorised Participants or no Authorised Participant in respect of the Carbon ETC Securities or whether no Authorised Participant is willing to purchase any Carbon ETC Securities and, unless and until it receives express notice to the contrary, it will be entitled to assume that there is or are one or more Authorised Participants in respect of the Carbon ETC Securities and that one or more Authorised Participants is or are willing to purchase the Carbon ETC Securities.
- 8.31 Calculation of Allowance(s) Entitlement per Carbon ETC Security, Value per Carbon ETC Security and Redemption Amounts:** In ascertaining any Allowance(s) Entitlement per Carbon ETC Security, Value per Carbon ETC Security, Final Allowance(s) Redemption Amount, Early Allowance(s) Redemption Amount, 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 Administrator (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.
- 8.32 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.
- 8.33 No responsibility or investigation:** Except as otherwise expressly provided to the contrary in the relevant Transaction Document, the Trustee shall neither be responsible for, nor for investigating, any matter which is the subject of any representation, warranty or covenant of any person under the Transaction Documents.
- 8.34 No responsibility to monitor:** The Trustee shall not be responsible for monitoring whether any notices that are required to be given under the Transaction Documents are given by the relevant Transaction Party in compliance with any legal or regulatory requirements, except that the Trustee shall at all times be responsible for monitoring whether it is acting in compliance with any legal or regulatory requirements when giving any notices that it is required to give under the Transaction Documents.
- 8.35 Entitlement of the Trustee:** In connection with the exercise of any of its functions (including, but not limited to, those referred to in the Transaction Documents and Condition 14), the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders and the Trustee shall 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.
- 8.36 Illegality:** Nothing contained herein shall require the Trustee to do anything which (i) it believes is illegal or contrary to applicable law or regulation or (ii) it believes it does not have the power to do, as it has been so determined by any court or other competent authority in any jurisdiction.

**8.37 Trustee Acts:** In the event of any conflict or inconsistency between the terms of the Trust Deed and the terms of the Trustee Acts, the terms of the Trust Deed shall prevail to the extent permitted by law.

**8.38 Contracts (Rights of Third Parties) Act 1999:** A person who is not a party to the relevant Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the relevant Trust Deed.

## **9 Trustee Liable for Negligence**

**9.1 Degree of care and diligence:** If the Trustee fails to show the degree of care and diligence required of it as trustee, nothing in the relevant Trust Deed or the relevant Security Documents, as the case may be, shall relieve or indemnify the Trustee from or against any liability that would otherwise attach to it in respect of any gross negligence, wilful default, breach of duty or breach of trust of which it may be guilty.

**9.2 No liability for consequential loss:** Under no circumstances shall the Trustee be liable to, or be required to indemnify, the Issuer or any third party for (i) indirect, punitive or consequential losses or indirect, punitive or consequential damages of any kind whatsoever, (ii) loss of business opportunity, or (iii) loss of profit, in each case to the extent any such losses arise in connection with the relevant Trust Deed or the relevant Security Documents, as the case may be, notwithstanding that such losses were or may have been foreseeable or that the Trustee was advised or was aware of the possibility of such losses and regardless of whether the claim to any such loss or damage under sub-paragraph (i), (ii) or (iii) is made in negligence, breach of duty, breach of trust or otherwise.

## **10 Waiver and Proof of Default**

**10.1 Waiver:** The Trustee may, without the consent of the Securityholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Securityholders will not be materially prejudiced thereby, waive or authorise, on such terms as may seem expedient to it, any breach or proposed breach by the Issuer of the relevant Trust Deed or the relevant Conditions or any other Transaction Document or determine that an Event of Default or Potential Event of Default shall not be treated as such, provided that the Trustee shall not do so in contravention of an express direction given by holders of at least one-fifth in number of the Carbon ETC Securities then outstanding or an Extraordinary Resolution (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction). No such direction or request shall affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Securityholders and, if the Trustee so requires, shall be notified to the Securityholders as soon as practicable.

**10.2 Proof of default:** Proof that the Issuer has failed to make a payment of Principal when due under the Conditions to the holder of any one Carbon ETC Security shall (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Carbon ETC Securities under which a payment obligation is due.

## **11 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 Carbon ETC Security of any Series 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 depository 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.

## 12 Modification and Substitution

**12.1 Modification:** Without prejudice to Condition 14(a), the Trustee may agree, without the consent of the Securityholders but only with the prior written consent of the Programme Administrator, to (i) any modification to the relevant Conditions, the relevant Trust Deed, each relevant Security Documents and/or any other relevant Transaction Document 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 the Conditions or any of the provisions of the relevant Trust Deed, the relevant Security Documents and/or any other relevant Transaction Document that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and, if the Trustee so requires, such modification shall be notified by the Issuer to the Securityholders in accordance with Condition 17 as soon as reasonably practicable.

### 12.2 Substitution

**12.2.1** The Trustee may, without the consent of the Securityholders but subject to the prior written consent of the Programme Administrator, agree to the substitution, in place of the Issuer (or of any previous substitute under this Clause 12.2) as the principal debtor under the relevant Trust Deed, the relevant Security Documents, the other Transaction Documents to which it is a party and the Carbon ETC Securities, of any other company (incorporated in any jurisdiction) (any such substitute company being the “**Substituted Obligor**”), 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 relevant Trust Deed, the Security Documents and the Carbon ETC Securities (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the relevant Trust Deed, the Security Documents and the Carbon 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 each Security Document 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 is 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 Carbon 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 shall execute and the Issuer shall procure that the Programme Administrator and any other relevant Transaction Party shall 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 such Carbon ETC Securities, agree to a change of the law from time to time governing such Carbon ETC Securities and/or the relevant Issue Deed and/or the Trust Deed and/or each Security Document, 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.

**12.2.2 Release of Substituted Issuer:** An agreement by the Trustee pursuant to Condition 14(c) of the relevant Series of Carbon ETC Securities and this Clause 12.2 shall, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the relevant Trust Deed, the Carbon ETC Securities and the other related 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.

**12.2.3 Completion of Substitution:** On completion of the formalities set out in this Clause 12.2 and Condition 14(c), the Substituted Obligor shall be deemed to be named in the relevant Conditions, the relevant Trust Deed and other Transaction Documents and the relevant Carbon ETC Securities as the principal debtor in place of the Issuer (or of any previous substitute) and the relevant Conditions, the relevant Trust Deed and other Transaction Documents and the relevant Carbon ETC Securities shall be deemed to be amended as necessary to give effect to the substitution.

**12.3 Agreement by the Issuer:** The Issuer shall not agree to any amendment or modification of the relevant Trust Deed in respect of the Carbon ETC Securities without first obtaining the consent in writing of the Programme Administrator, which consent shall not be unreasonably withheld or delayed.

**12.4 Additional Authorised Participants:** For the avoidance of doubt, the consent of the Trustee shall not be required for the appointment of any additional Authorised Participants in respect of any Series of Carbon ETC Securities and/or the entry into by the Issuer or the relevant Authorised Participant of the Authorised Participant Agreement.

## **13 Appointment, Retirement and Removal of the Trustee**

**13.1 Appointment:** Subject as provided in Clauses 13.2 and 13.3, the Issuer has the power to appoint new trustees but any such new trustee may not be so appointed unless previously approved by an Extraordinary Resolution of the Securityholders and by the Programme Administrator. A trust corporation shall at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee shall be notified by the Issuer to the Securityholders as soon as practicable in accordance with the Conditions.

**13.2 Retirement and removal:** Any Trustee may retire at any time on giving at least 90 calendar days' prior written notice to the Issuer without giving any reason or being responsible for any costs occasioned by such retirement and either the Issuer (subject to the Programme Administrator's consent) or the Securityholders (by way of Extraordinary Resolution) may remove any Trustee on giving at least 90 calendar days' prior written notice to the Trustee without giving any reason or being responsible for any costs occasioned by such removal, provided that the retirement or removal of a sole trust corporation shall not be effective until a trust corporation is appointed as successor Trustee. For this purpose, if a sole trust corporation gives notice of retirement or it has been removed by the Issuer or by way of an Extraordinary Resolution, the Issuer shall use all reasonable endeavours to procure that another trust corporation be appointed as Trustee but if it fails to do so on or prior to the 60<sup>th</sup> calendar day following notice of retirement or removal (as applicable), the Trustee shall have the power to appoint a new Trustee. If the Trustee fails to do so before the expiry of such 90 calendar day notice period, the Issuer shall provide an Agent/Trustee Redemption Event Notice in accordance with Condition 7(d)(ii) and an Agent/Trustee Redemption Event will occur.

Any replacement Trustee shall agree that the terms in respect of the Trustee as set out in the Conditions and in the relevant Transaction Documents (and in particular, the relevant Trust Deed, Issue Deed and Security Documents) shall be binding on it.

**13.3 Bankruptcy and Immediate Termination:** In relation to the relevant Series of Carbon ETC Securities:

**13.3.1** if, at any time prior to the Scheduled Maturity Date, the Programme Administrator determines that a Trustee Bankruptcy Event has occurred (which, following such determination, shall immediately terminate the appointment of the Trustee, subject to any applicable law that may prevent such automatic termination (but any Allowance(s) or cash held by such Trustee (if any) on behalf of the Issuer shall remain so held)); or

**13.3.2** notwithstanding Clause 13.2, if the Issuer (at its option) terminates the appointment of the Trustee with immediate effect following (i) a material breach by the Trustee of its obligations under the relevant Trust Deed, Security Documents or any other Transaction Document and, to the extent such breach is capable of being remedied, the Trustee fails to cure such breach within 15 calendar days of its becoming aware of, or its receiving notice from the Issuer (or an agent on the Issuer's behalf) of such breach or (ii) a breach by the Trustee of its obligations under the relevant Trust Deed, Security Documents or any other Transaction Document and, to the extent such breach is capable of being remedied, the Trustee fails to cure such breach within 30 calendar days of its becoming aware of, or its receiving notice from the Issuer (or an agent on the Issuer's behalf) of such breach (in each case following the relevant cure period, a "**Trustee Breach**"),

the Issuer shall, in each case, acting in good faith and in a commercially reasonable manner, seek to appoint a successor or replacement entity to act as Trustee (x) within 30 calendar days of the date of such Trustee Bankruptcy Event (in the case of Clause 13.3.1) or the date the Trustee's appointment is terminated (in the case of Clause 13.3.2) or (y) in either case, by such earlier date as specified by the Programme Administrator. If the Issuer fails to appoint a successor or replacement trustee within this time period, the Issuer shall provide an Agent Bankruptcy/Breach Redemption Event Notice in accordance with Condition 7(d)(ix) and an Agent Bankruptcy/Breach Redemption Event will occur.

**13.4 Replacement Trustee:** Any replacement Trustee pursuant to Clauses 13.2 and 13.3 shall agree that the terms in respect of the Trustee as set out in the Conditions and in the relevant Transaction

Documents (and in particular, the relevant Trust Deed and the relevant Security Documents) shall be binding on it.

**13.5 Co-Trustees:** The Trustee may, notwithstanding Clause 13.1, by written notice to the Issuer (copied to the Programme Administrator and the other relevant Transaction Parties) appoint anyone to act as an additional Trustee jointly with the Trustee:

- 13.5.1 if the Trustee considers the appointment to be in the interests of the Securityholders;
- 13.5.2 to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or
- 13.5.3 to obtain a judgment or to enforce a judgment or any provision of the relevant Trust Deed in any jurisdiction.

Subject to the provisions of the relevant Trust Deed and the relevant Security Documents, the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may, by written notice to the Issuer and that person, remove that person. At the Trustee's request, the Issuer shall forthwith do all things that may be required to perfect such appointment or removal and it irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

**13.6 More than one Trustee:** If, in respect of any single Series, there are more than two Trustees, the majority of them shall be competent to perform the Trustee's functions, provided the majority includes a trust corporation. For the avoidance of doubt, different Trustees may be appointed under the relevant Trust Deed applying in respect of each Series of Carbon ETC Securities and accordingly, the provisions of each relevant Trust Deed shall apply separately to each such trustee.

**13.7 Regulatory Requirement Amendments:** If the Programme Administrator determines that a Regulatory Requirement Event has occurred, it may notify the Issuer of any Regulatory Requirement Amendments. The Programme Administrator shall immediately send a copy of any such notice to all Transaction Parties (other than the Authorised Participants).

If the Issuer receives such a notice from the Programme Administrator, it shall, without the consent of the Securityholders, promptly make the Regulatory Requirement Amendments, provided that:

- 13.7.1 no Scheduled Early Redemption Date has occurred in respect of the Carbon ETC Securities;
- 13.7.2 the Regulatory Requirement Amendments will not:
  - (i) amend the date of maturity or redemption of the Carbon ETC Securities;
  - (ii) reduce or cancel any Early Redemption Amount, Final Redemption Amount or the Minimum Debt Principal Amount payable on redemption of the Carbon ETC Securities;
  - (iii) reduce or cancel the Allowance(s) Entitlement per Carbon ETC Security or vary the method of, or basis for, calculating the Allowance(s) Entitlement per Carbon ETC Security;
  - (iv) vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount;
  - (v) exchange or substitute any of the Underlying Allowance(s); or
  - (vi) have a material adverse effect on the validity, legality or enforceability of the Security or on the priority and ranking of the Security;

- 13.7.3** the Regulatory Requirement Amendments are agreed to by each party to the affected Transaction Documents (in each case, such consent not to be unreasonably withheld or delayed) and the Trustee; and
- 13.7.4** the Programme Administrator gives a Regulatory Requirement Amendments Certificate to the Trustee certifying that (i) the purpose of the Regulatory Requirement Amendments is solely as set out in Conditions 18(a) to 18(c) and (ii) the Regulatory Requirement Amendments satisfy the requirements of Clause 13.7.2.

The Trustee may rely, without further enquiry and without liability to any person for so doing, on a Regulatory Requirement Amendments Certificate. Upon receipt of a Regulatory Requirement Amendments Certificate, the Trustee shall agree to the Regulatory Requirement Amendments without seeking the consent of the Securityholders or any other party and concur with the Issuer (at the Issuer's expense) in effecting the Regulatory Requirement Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the relevant Trust Deed), provided that the Trustee shall not be required to agree to the Regulatory Requirement Amendments if, in the opinion of the Trustee (acting reasonably), the Regulatory Requirement Amendments would (x) expose the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (y) impose more onerous obligations upon it or expose it to any additional duties or responsibilities or reduce or amend the protective provisions afforded to the Trustee in the Conditions or any Transaction Document of any Series.

Neither the Programme Administrator nor the Trustee shall have any duty to monitor, enquire or satisfy itself as to whether any Regulatory Requirement Event has occurred. The Programme Administrator shall not have any obligation to give, nor any responsibility or liability for giving or not giving, any notice to the Issuer and the Transaction Parties that a Regulatory Requirement Event has occurred.

Any Regulatory Requirement Amendments will be binding on the Issuer, the Transaction Parties and the Securityholders.

## **14 Carbon ETC Securities held in Clearing Systems**

- 14.1 Carbon ETC Securities in global form:** So long as the Carbon ETC Securities are in global form and the relevant Global Security is held by or on behalf of a 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.
- 14.2 Clearing Systems:** The Trustee may call for any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other Relevant Clearing System in relation to any matter. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print-out of electronic records provided by the Relevant Clearing System (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Carbon ETC Securities is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System and subsequently found to be forged or not authentic.



## **15 Currency Indemnity**

- 15.1 Currency of account and payment:** The Specified Currency is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the relevant Trust Deed, relevant Security Documents and the Carbon ETC Securities, including damages.
- 15.2 Extent of discharge:** An amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the appointment of an examiner in respect of the Issuer or otherwise) by the Trustee or any Securityholder, Secured Creditor or Other Creditor in respect of any sum expressed to be due to it from the Issuer shall only discharge the Issuer to the extent of the Specified Currency amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).
- 15.3 Indemnity:** If that Specified Currency amount is less than the Specified Currency amount expressed to be due to the recipient under the relevant Secured Issuer Obligation or relevant Series of Carbon ETC Securities, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase.
- 15.4 Indemnity separate:** The indemnities in this Clause 15 and in Clauses 7 and 8 constitute separate and independent obligations from the other obligations in the relevant Trust Deed and relevant Security Documents, and shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Trustee and/or any Securityholder, any Secured Creditor or any Other Creditor and shall, subject to Clause 18 (and other limited recourse provisions in the Security Documents), continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under the relevant Secured Issuer Obligation or Series or any other judgment or order.
- 15.5 Excess amounts:** If, by reason of any judgment or order as is referred to in Clause 15.2, the amount receivable by the Trustee, the Securityholders or the Other Creditors if converted on the date of payment into the Specified Currency would yield a sum in excess of that due in the Specified Currency, the Trustee shall hold such excess to the order of the Issuer or other person making payment.

## **16 Communications**

- 16.1 Method:** Each communication under the relevant Trust Deed shall be made by electronic communication, or otherwise in writing. Each communication or document to be delivered to any party under the relevant Trust Deed shall be sent to that party at the postal address or electronic address, and marked for the attention of the person (if any) from time to time designated by that party to each other party for the purpose of the relevant Issue Deed and the relevant Trust Deed. The initial postal address, electronic address and person so designated are set out in the relevant Issue Deed.
- 16.2 Deemed receipt:** Any communication from any party to any other under the relevant Trust Deed shall be effective (if by post) on the day it is delivered in the case of recorded delivery and three calendar days in the case of inland post or seven calendar days in the case of overseas post after despatch or, if earlier, when delivered and (if by electronic communication) when the relevant receipt of such communication being read is given or, where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which

is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under the relevant Issue Deed and the relevant Trust Deed which is to be sent by electronic communication will be written legal evidence.

## 17 List of Authorised Persons of the Trustee

The Trustee in respect of the relevant Series of Carbon ETC Securities shall:

- 17.1 in respect of their authorised representatives effective as of the Series Issue Date, on or prior to the execution of the relevant Issue Deed provide to the Issuer (and copied to each of the Carbon Accounts Administrator, the Programme Administrator, the Determination Agent, the Issuing Agent, the Paying Agent, the Custodian and the Carbon Counterparty) a certificate of incumbency or power of attorney certifying the names, titles and specimen signatures of the persons authorised on its behalf to execute the relevant Issue Deed (if applicable) and to otherwise give instructions and notices in relation to the relevant Series of Carbon ETC Securities and the Transaction Documents and to take any other action in relation to the relevant Transaction Documents (such certificate of incumbency or power of attorney, including evidence satisfactory to such parties as to the authority of the persons authorising such persons, "**Trustee Evidence of Authority**"); and
- 17.2 as soon as reasonably practicable (a) following the occurrence of an Enforcement Event, upon request by the Issuer, the Programme Administrator or a Transaction Party and (b) if the Trustee instructs or notifies a party pursuant to the Conditions or the Transaction Documents (including if such instruction or notification is made prior to the occurrence of an Enforcement Event), upon request by the Issuer, Programme Administrator or such party so notified or instructed, in each case, provide the Issuer and the requesting party (if applicable) (copied to each of the Carbon Accounts Administrator, the Programme Administrator, the Determination Agent, the Issuing Agent, the Paying Agent, the Custodian and the Carbon Counterparty) with updated Trustee Evidence of Authority.

## 18 Limited Recourse and Non-Petition

- 18.1 **Limited Recourse:** Each party to the relevant Trust Deed acknowledges and agrees that, in respect of the relevant Series of Carbon ETC Securities, the Transaction Parties and the Securityholders shall have recourse only to the Secured Property in respect of the relevant Series of Carbon ETC Securities, subject always to the Security, and not to any other assets of the Issuer (except the Carbon Counterparty, who is not a Secured Creditor and shall not have recourse to the Secured Property or any other assets of the Issuer). If, following realisation in full of such Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 5, the Trust Deed and the Security Documents (and/or in the case of a buy-back, following delivery of Allowance(s) (as applicable)), any outstanding claim against the Issuer in respect of the Secured Issuer Obligations or Other Issuer Obligations remains unpaid (or unsatisfied due to non-delivery of all or a portion of the relevant number of Allowance(s) in the case of buy-back), then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof.
- 18.2 **No recourse to any shareholder, officer, agent, employee or director of the Issuer and extinguishment:** None of the Transaction Parties, the Securityholders or any other person acting on behalf of any of them shall be entitled to take any steps against (i) any of the Issuer's officers, shareholders, corporate service providers or directors, or (ii) following extinguishment in accordance with this Clause 18, the Issuer to recover any further sum (or assets) 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 (or assets). It being expressly agreed and understood that the Carbon ETC Securities and the Transaction Documents are corporate obligations of the Issuer, each party agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in the Carbon ETC Securities or any Transaction Document or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director, is hereby deemed expressly waived by the Transaction Parties and the Securityholders.

- 18.3 Non-Petition:** 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 assets and/or property (i) attributable to any other securities issued by the Issuer (save for any further securities which form a single series with the relevant Series of Carbon ETC Securities) or (ii) not attributable to any particular Series.
- 18.4 Survival:** The provisions of this Clause 18 shall survive notwithstanding any redemption of the relevant Series of Carbon ETC Securities or the termination or expiration of any Transaction Document.
- 18.5 Enforcement:** Each party to the relevant Trust Deed acknowledges and agrees that only the Trustee may enforce the Security over the Secured Property in accordance with, and subject to the terms of, Condition 5(e), the Trust Deed and the relevant Security Documents.

## **19 Governing Law and Submission to Jurisdiction**

- 19.1 Governing law:** Each relevant Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- 19.2 Submission to jurisdiction:** The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Master Trust Terms or the relevant Trust Deed and accordingly any legal action or proceedings arising out of or in connection with these Master Trust Terms or the relevant Trust Deed ("**Proceedings**") may be brought in such courts. The parties hereto irrevocably submit to the jurisdiction of such courts and waive any objections to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Trustee, the Programme Administrator 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 one or more jurisdictions preclude any of them from taking Proceedings in any other jurisdiction (whether concurrently or not).
- 19.3 Service of process:** Each of the Issuer and the Issuing Agent irrevocably agrees to appoint, on or around the date of the relevant Trust Deed, a process agent as its agent to receive, for it and on its behalf, service of process in any Proceedings in England. The process agent in respect of each such party appointing a process agent shall either (i) be the party specified as its process agent in England for the Series in the relevant Issue Deed or (ii) if no such process agent in England is specified in the relevant Issue Deed in respect of such party, be notified to each of the other parties to the relevant Trust Deed as soon as reasonably practicable following its appointment. Service of process on such process agent shall be deemed valid service upon such appointing party whether or not it is forwarded to and received by the appointing party. Each party appointing a process agent shall inform all other parties 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 England, each party who has appointed such process agent irrevocably agrees to appoint a substitute process agent in England reasonably acceptable to the other parties and to deliver to each of the other parties a copy of the substitute process agent's written acceptance of that appointment, within 14 calendar days. Each party appointing a process agent irrevocably consents to any process in any Proceedings anywhere being served by mailing a copy by registered post to such process agent in accordance with Clause 16. However, nothing in this Clause 19.3 shall affect the right to serve process in any other manner permitted by law.

**Schedule 1**  
**Part A**  
**Form of CGN Global Security**

THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY 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. THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY INCLUDE CARBON ETC SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. 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 (THE “**CFTC RULES**”) OF THE COMMODITY FUTURES TRADING COMMISSION (THE “**CFTC**”). THE ISSUER HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER ANY UNITED STATES FEDERAL LAWS. ANY OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR TRANSFER OF THIS GLOBAL SECURITY OR THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY MUST BE MADE IN AN OFFSHORE TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO REGULATION S THEREUNDER (“**REGULATION S**”).

THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY MAY NOT AT ANY TIME BE OFFERED, SOLD, PLEDGED, DELIVERED, DISTRIBUTED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS WHO ARE EITHER (A) U.S. PERSONS AS DEFINED IN REGULATION S, (B) 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) AND (C) A “RESIDENT OF THE UNITED STATES” FOR THE PURPOSES OF, AND AS DEFINED IN IMPLEMENTING REGULATIONS PROPOSED OR ISSUED UNDER, SECTION 13 OF THE BANK HOLDING COMPANY OF 1956, AS AMENDED (ANY SUCH PERSON DESCRIBED IN SUB-PARAGRAPHS (A), (B) AND (C) ABOVE, A “**NON-PERMITTED TRANSFEREE**”). ANY OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR TRANSFER OF THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY WITHIN THE UNITED STATES OR TO ANY NON-PERMITTED TRANSFEREE ARE PROHIBITED. ANY UNITED STATES PERSON THAT HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”).

THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY MAY NOT BE LEGALLY OR BENEFICIALLY 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 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) OR OTHERWISE UNDER ERISA BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S 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 THIS GLOBAL SECURITY OR ANY CARBON ETC SECURITY REPRESENTED BY THIS GLOBAL SECURITY, OR ANY INTEREST HEREIN, HAS NOT AND WILL NOT CONSTITUTE A VIOLATION OF SUCH SIMILAR LAW.

EACH PERSON WHO OFFERS, SELLS, PLEDGES, DISTRIBUTES, DELIVERS OR OTHERWISE TRANSFERS THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY HAS EXCLUSIVE RESPONSIBILITY FOR ENSURING THAT ITS OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR OTHER TRANSFER IS NOT TO OR FOR THE ACCOUNT OR BENEFIT OF ANY NON-PERMITTED TRANSFEREE AS OF THE DATE OF SUCH OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR OTHER TRANSFER.

**Xtrackers (Jersey) ETC PLC (the “Issuer”)**

**(Xtrackers (Jersey) ETC PLC is a public limited company incorporated under the laws of Jersey with registered number 145739, having its registered address at IFC 5, St. Helier, JE1 1ST, Jersey)**

**SECURED XTRACKERS (JERSEY) ETC PLC CARBON LINKED SECURITIES PROGRAMME**

**GLOBAL SECURITY**

**ISIN: \_\_\_\_\_**

**Global Security No. \_\_\_\_\_**

(Series \_\_\_\_\_ up to \_\_\_\_\_ Carbon ETC Securities due \_\_\_\_\_)

This Global Security is issued in respect of the Carbon ETC Securities (the “**Carbon ETC Securities**”) issued by the Issuer and of the Tranche(s) and Series specified above and as identified by the Final Terms set out in the Second Schedule hereto.

**Interpretation and Definitions**

References in this Global Security to the “Conditions” are to the terms and conditions applicable to the Carbon ETC Securities (as supplemented and/or modified and/or superseded by the provisions of this Global Security (including the supplemental definitions and any modifications or additions set out in the Second Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this Global Security shall have the meanings given to them in the Conditions or the Trust Deed.

**Aggregate Number**

The aggregate number of Carbon ETC Securities from time to time represented by this Global Security shall be an amount equal to the aggregate number of the Carbon ETC Securities as shall be shown by the latest entry in the fourth column of the First Schedule hereto, which shall be completed by or on behalf of the Issuing Agent upon (i) the issue of the Carbon ETC Securities represented hereby (in the case of Carbon ETC Securities represented by this Global Security upon issue), and/or (ii) the redemption or purchase and cancellation and further issues of Carbon ETC Securities represented hereby, all as described below.

**Promise to Pay**

Subject as provided herein, the Issuer, for value received, hereby promises to pay to the bearer of this Global Security, upon presentation to the Issuing Agent and (when no further payment is due in respect of this Global Security) surrender of this Global Security, on the Scheduled Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become due and payable in accordance with the Conditions) the relevant Principal or any other amounts payable under the Conditions

in respect of the aggregate number of Carbon ETC Securities represented by this Global Security together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

### **Benefit of Conditions**

Except as otherwise specified herein, this Global Security is subject to the Conditions and the Trust Deed.

### **Payments**

Payments in respect of this Global Security shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Issuing Agent or of any agent of the Issuing Agent nominated by the Issuing Agent for such purpose. A record of each such payment shall be endorsed on the First or Second Schedule hereto, as appropriate, by the Issuing Agent or agent of the Issuing Agent nominated by the Issuing Agent for such purpose, which endorsement shall (until the contrary is proved) be *prima facie* evidence that the payment in question has been made.

### **Cancellation**

Cancellation of any Carbon ETC Security represented by this Global Security that is required by the Conditions to be cancelled (other than upon its redemption) shall be effected by reduction in the number of Carbon ETC Securities represented by this Global Security on its presentation to or to the order of the Issuing Agent for endorsement in the First Schedule hereto, whereupon the number of Carbon ETC Securities represented by this Global Security shall be reduced for all purposes by the number of Carbon ETC Securities so cancelled and endorsed.

### **Further Issues**

Further issues of Carbon ETC Securities of the same Series as the Carbon ETC Securities represented by this Global Security may be effected by an increase in the number of Carbon ETC Securities represented by this Global Security by endorsement by the Issuing Agent in the First Schedule hereto, whereupon the number of Carbon ETC Securities represented by this Global Security shall be increased for all purposes by the number of Carbon ETC Securities so issued.

### **Issuer's Options**

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Securityholders within the time limits set out in and containing the information required by the Conditions. The Issuing Agent shall note any such exercise in the First Schedule hereto.

### **Notices**

Notices required to be given in respect of the Carbon ETC Securities represented by this Global Security may be given by their being delivered (so long as this Global Security is held on behalf of a Relevant Clearing System) to (i) such Relevant Clearing System provided that notices will also be issued in accordance with the rules of any Relevant Stock Exchange upon which the Carbon ETC Securities are listed, or (ii) otherwise to the holder of this Global Security, rather than by publication as required by the Conditions.

### **Negotiability**

This 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 the Conditions;
- (ii) the holder of this Global Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption or otherwise payable in

respect of this Global Security and the Issuer has waived against such holder and any previous holder of this 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 this Global Security; and

- (iii) payment upon due presentation of this Global Security as provided herein shall operate as a good discharge against such holder and all previous holders of this Global Security.

No provisions of this Global Security shall alter or impair the obligation of the Issuer to pay Principal or other amounts payable on the Carbon ETC Securities when due in accordance with the Conditions.

This Global Security shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Issuing Agent.

This Global Security and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

Notwithstanding anything else contained herein, (i) this Global Security shall be held on issue only by Euroclear, Clearstream, Luxembourg or any other Relevant Clearing System that maintains a book entry system through which beneficial interests in this Global Security are transferred and (ii) this Global Security shall not be transferrable other than to Euroclear, Clearstream, Luxembourg or any other Relevant Clearing System that maintains a book entry system through which beneficial interests in this Global Security are transferred. These restrictions are intended to comply with U.S. Internal Revenue Service Notice 2012-20 and shall be interpreted consistently therewith.

**In witness** whereof the Issuer has caused this Global Security to be duly signed on its behalf.

Dated as of the Issue Date of the first Tranche of the Series.

**XTRACKERS (JERSEY) ETC PLC**

Signed by a duly authorised signatory:

Signed by a duly authorised signatory:



**CERTIFICATE OF AUTHENTICATION**

This Global Security is authenticated  
by or on behalf of the Issuing Agent.

**APEX FUND SERVICES (IRELAND) LIMITED**  
as Issuing Agent

By:

Authorised Signatory  
For the purposes of authentication only.

**The First Schedule**  
**Number of Carbon ETC Securities Represented by this Global Security**

The following (i) issues of Carbon ETC Securities initially represented by this Global Security, (ii) cancellations or forfeitures of interests in this Global Security or further issues of Carbon ETC Securities to be represented by this Global Security and/or (iii) payments of amounts payable upon redemption in respect of this Global Security have been made, resulting in the number of this Global Security specified in the latest entry in the fourth column:

<b>Date</b>	<b>Amount of increase/ decrease in number of Carbon ETC Securities represented by this Global Security</b>	<b>Reason for increase/ decrease in number of Carbon ETC Securities represented by this Global Security</b>	<b>Number of Carbon ETC Securities represented by this Global Security following such increase/ decrease</b>	<b>Notation made by or on behalf of the Issuing Agent</b>
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## **The Second Schedule**

The provisions of the Final Terms relating to the first Tranche of Carbon ETC Securities of a Series are inserted below. The Final Terms for any subsequent Tranche shall not be required to be copied or appended to the Global Security on the basis that their terms and conditions are the same as those of any other Tranche (save for as they relate, *inter alia*, to their issue date).

***[The provisions of the relevant Final Terms to be inserted here as the Second Schedule]***

**Schedule 1**  
**Part B**  
**Form of NGN Global Security**

THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY 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. THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY INCLUDE CARBON ETC SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. 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 (THE “**CFTC RULES**”) OF THE COMMODITY FUTURES TRADING COMMISSION (THE “**CFTC**”). THE ISSUER HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER ANY UNITED STATES FEDERAL LAWS. ANY OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR TRANSFER OF THIS GLOBAL SECURITY OR THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY MUST BE MADE IN AN OFFSHORE TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO REGULATION S THEREUNDER (“**REGULATION S**”).

THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY MAY NOT AT ANY TIME BE OFFERED, SOLD, PLEDGED, DELIVERED, DISTRIBUTED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS WHO ARE EITHER (A) U.S. PERSONS AS DEFINED IN REGULATION S, (B) 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) AND (C) A “RESIDENT OF THE UNITED STATES” FOR THE PURPOSES OF, AND AS DEFINED IN IMPLEMENTING REGULATIONS PROPOSED OR ISSUED UNDER, SECTION 13 OF THE BANK HOLDING COMPANY OF 1956, AS AMENDED (ANY SUCH PERSON DESCRIBED IN SUB-PARAGRAPHS (A), (B) AND (C) ABOVE, A “**NON-PERMITTED TRANSFEREE**”). ANY OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR TRANSFER OF THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY WITHIN THE UNITED STATES OR TO ANY NON-PERMITTED TRANSFEREE ARE PROHIBITED.

ANY UNITED STATES PERSON THAT HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”).

THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY MAY NOT BE LEGALLY OR BENEFICIALLY 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 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) OR OTHERWISE UNDER ERISA BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S 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 THIS GLOBAL SECURITY OR ANY CARBON ETC SECURITY REPRESENTED BY THIS GLOBAL SECURITY, OR ANY INTEREST HEREIN, HAS NOT AND WILL NOT CONSTITUTE A VIOLATION OF SUCH SIMILAR LAW.

EACH PERSON WHO OFFERS, SELLS, PLEDGES, DISTRIBUTES, DELIVERS OR OTHERWISE TRANSFERS THIS GLOBAL SECURITY AND THE CARBON ETC SECURITIES REPRESENTED BY THIS GLOBAL SECURITY HAS EXCLUSIVE RESPONSIBILITY FOR ENSURING THAT ITS OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR OTHER TRANSFER IS NOT TO OR FOR THE ACCOUNT OR BENEFIT OF ANY NON-PERMITTED TRANSFEREE AS OF THE DATE OF SUCH OFFER, SALE, PLEDGE, DELIVERY, DISTRIBUTION OR OTHER TRANSFER.

### **Xtrackers (Jersey) ETC PLC**

**(Xtrackers (Jersey) ETC PLC is a public limited company incorporated under the laws of Jersey with registered number 145739, having its registered address at IFC 5, St. Helier, JE1 1ST, Jersey)**

### **SECURED XTRACKERS (JERSEY) ETC PLC CARBON LINKED SECURITIES PROGRAMME**

#### **GLOBAL SECURITY**

**ISIN:** \_\_\_\_\_

**Global Security No.** \_\_\_\_\_

(Series \_\_\_\_\_ up to \_\_\_\_\_ Carbon ETC Securities due \_\_\_\_\_)

This Global Security is issued in respect of the Carbon ETC Securities (the "**Carbon ETC Securities**") issued by the Issuer and of the Tranche(s) and Series specified above and as identified by the Final Terms set out in the Schedule hereto.

#### **Interpretation and Definitions**

References in this Global Security to the "Conditions" are to the terms and conditions applicable to the Carbon ETC Securities (as supplemented and/or modified and/or superseded by the provisions of this Global Security (including the supplemental definitions and any modifications or additions set out in the Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this Global Security shall have the meanings given to them in the Conditions or the Trust Deed.

#### **Aggregate Number**

The aggregate number of Carbon ETC Securities from time to time represented by this Global Security shall be an amount equal to the aggregate number of the Carbon ETC Securities from time to time entered in the records of each of Euroclear and Clearstream, Luxembourg (together, the "**relevant Clearing Systems**"), which shall be completed and/or amended as the case may be upon (i) the issue of the Carbon ETC Securities represented hereby (in the case of Carbon ETC Securities represented by this Global Security upon issue) and/or (ii) the redemption or purchase and cancellation and further issues of Carbon ETC Securities represented hereby, all as described below.

The records of the relevant Clearing Systems (which expression in this Global Security means the records that each relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Carbon ETC Securities) shall be conclusive evidence of the number of the Carbon ETC

Securities represented by this Global Security and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of Carbon ETC Securities represented by this Global Security at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

### **Promise to Pay**

Subject as provided herein, the Issuer, for value received, hereby promises to pay to the bearer of this Global Security, upon presentation to the Issuing Agent and (when no further payment is due in respect of this Global Security) surrender of this Global Security, on the Scheduled Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become due and payable in accordance with the Conditions) the relevant Principal or other amounts payable under the Conditions in respect of the aggregate number of Carbon ETC Securities represented by this Global Security, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

### **Benefit of Conditions**

Except as otherwise specified herein, this Global Security is subject to the Conditions and the Trust Deed.

### **Payments**

Payments in respect of this Global Security shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Issuing Agent or of any agent of the Issuing Agent nominated by the Issuing Agent for such purpose, and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing Systems referred to herein shall not affect such discharge. The Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant Clearing Systems and in the case of any payment of principal and upon any such entry being made, the number of the Carbon ETC Securities recorded in the records of the relevant Clearing Systems and represented by this Global Security shall be reduced by the aggregate number of the Carbon ETC Securities so redeemed or repurchased and cancelled.

### **Cancellation**

On cancellation of any Carbon ETC Security represented by this Global Security that is required by the Conditions to be cancelled (other than upon its redemption), the Issuer shall procure that details of such cancellation shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the number of the Carbon ETC Securities recorded in the records of the relevant Clearing Systems and represented by this Global Security shall be reduced by the aggregate number of the Carbon ETC Securities so cancelled.

### **Further Issues**

Further issues of Carbon ETC Securities of the same Series as the Carbon ETC Securities represented by this Global Security may be effected by the Issuer procuring that details of such issue be entered in the records of the relevant Clearing Systems and, upon such entry being made, the number of Carbon ETC Securities recorded in the records of the relevant Clearing Systems and represented by this Global Security shall be increased for all purposes by the number of Carbon ETC Securities so issued.

### **Issuer's Options**

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Securityholders and the relevant Clearing Systems (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions. Following the exercise of any such option, the Issuer shall procure that the number of the Carbon ETC Securities

recorded in the records of the relevant Clearing Systems and represented by this Global Security shall be reduced accordingly.

### **Notices**

Notices required to be given in respect of the Carbon ETC Securities represented by this Global Security may be given by their being delivered (so long as this Global Security is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any Relevant Clearing System) to (i) Euroclear, Clearstream, Luxembourg and/or such Relevant Clearing System, as the case may be, provided that notices will also be issued in accordance with the rules of any stock exchange upon which the Carbon ETC Securities are listed, or otherwise (ii) to the holder of this Global Security, rather than by publication as required by the Conditions.

### **Negotiability**

This 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 the Conditions;
- (ii) the holder of this Global Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption or otherwise payable in respect of this Global Security and the Issuer has waived against such holder and any previous holder of this 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 this Global Security; and
- (iii) payment upon due presentation of this Global Security as provided herein shall operate as a good discharge against such holder and all previous holders of this Global Security.

No provisions of this Global Security shall alter or impair the obligation of the Issuer to pay Principal or other amounts payable on the Carbon ETC Securities when due in accordance with the Conditions.

This Global Security shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Issuing Agent and effectuated by the entity appointed as Common Safekeeper by the relevant Clearing Systems.

This Global Security and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

Notwithstanding anything else contained herein, (i) this Global Security shall be held on issue only by Euroclear, Clearstream, Luxembourg or any other Relevant Clearing System that maintains a book entry system through which beneficial interests in this Global Security are transferred and (ii) this Global Security shall not be transferrable other than to Euroclear, Clearstream, Luxembourg or any other Relevant Clearing System that maintains a book entry system through which beneficial interests in this Global Security are transferred. These restrictions are intended to comply with U.S. Internal Revenue Service Notice 2012-20 and shall be interpreted consistently therewith.

**In witness** whereof the Issuer has caused this Global Security to be duly signed on its behalf.

Dated as of the Issue Date of the first Tranche of the Series.

**XTRACKERS (JERSEY) ETC PLC**

Signed by a duly authorised signatory:

Signed by a duly authorised signatory:

**CERTIFICATE OF AUTHENTICATION**

This Global Security is authenticated  
by or on behalf of the Issuing Agent.

**APEX FUND SERVICES (IRELAND) LIMITED**

as Issuing Agent

By:

Authorised Signatory  
For the purposes of authentication only.

**Effectuation**

This Global Security is effectuated  
by or on behalf of the Common Safekeeper.

**CITIBANK EUROPE PLC**

as Common Safekeeper

By:

Authorised Signatory  
For the purposes of effectuation only.



## Schedule

The provisions of the Final Terms relating to the first Tranche of Carbon ETC Securities of a Series are inserted below. The Final Terms for any subsequent Tranche shall not be required to be copied or appended to the Global Security on the basis that their terms and conditions are the same as those of any other Tranche (save for as they relate, *inter alia*, to their issue date).

***[Insert the provisions of the relevant Final Terms that relate to the Conditions or the Global Securities as the Schedule]***

## Schedule 2

### Provisions for Meetings of Securityholders

#### Interpretation

- 1** In this Schedule 2:
- 1.1** references to a meeting are to a meeting of Securityholders of a single series of Carbon ETC Securities and include, unless the context otherwise requires, any adjournment of such meeting;
- 1.2** references to “**Carbon ETC Securities**” and “**Securityholders**” are only to the Carbon 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 Carbon 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 14;
- 1.5** “**voting certificate**” means a certificate issued in accordance with paragraphs 6, 7 and 8; and
- 1.6** references to persons representing a proportion of the Carbon ETC Securities are to Securityholders or agents holding or representing in the aggregate at least that proportion in number of the Carbon ETC Securities for the time being outstanding.
- 1.7** For the avoidance of doubt, for so long as the Carbon 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 depository, 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 depository, 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 Carbon 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 and references to “Securityholder” or “Securityholders” shall be construed accordingly.

#### 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 Document;
- 2.2** to sanction the exchange or substitution for the Carbon ETC Securities of, or the conversion of the Carbon 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 Documents, the Carbon ETC Securities or any Transaction Document 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 Documents; 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 Carbon ETC Securities,

provided that the special quorum provisions in paragraph 17 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 14(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 10 per cent. in number of the Carbon ETC Securities of any Series for the time being outstanding and is indemnified and/or secured and/or pre-funded 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 Carbon 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 the

Issuing Agent or to the order of the Issuing Agent with a bank or other depository nominated by the Issuing Agent for the purpose save that for so long as the Carbon ETC Securities are Bearer Securities represented by a Global Security deposited with the Relevant Clearing System, no such deposit shall be required where the Issuing Agent is satisfied that no transfer of the Global Security itself will occur over the meeting period and that appropriate measures are in place to ensure that anyone issued a voting certificate cannot transfer Carbon ETC Securities within the Relevant Clearing System until the time specified in paragraph 8 of this Schedule 2. The Issuing Agent shall then issue a voting certificate in respect of that Bearer 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 numbers of the Carbon ETC Securities to which such voting certificate relates; and
  - 7.4** entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those Carbon ETC Securities.
- 8** Once an Issuing Agent or its agent has issued a voting certificate for a meeting in respect of a Carbon ETC Security, it shall not release the Carbon ETC Security until either:
- 8.1** the meeting has been concluded; or
  - 8.2** the voting certificate has been surrendered to the Issuing Agent.

### **Block Voting**

- 9** If a holder of Carbon ETC Securities 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 the Issuing Agent or to the order of the Issuing Agent with a bank or other depository nominated by the Issuing Agent for the purpose save that for so long as the Carbon ETC Securities are Bearer Securities represented by a Global Security deposited with the Relevant Clearing System, no such deposit shall be required where the Issuing Agent is satisfied that no transfer of the Global Security itself will occur over the meeting period and that appropriate measures are in place to ensure that anyone issued a voting certificate cannot transfer Carbon ETC Securities within the Relevant Clearing System until the time specified in paragraph 8 of this Schedule 2 and (ii) he or a duly authorised person on his behalf must direct the Issuing Agent how those votes are to be cast. The Issuing Agent shall issue a block voting instruction in respect of the votes attributable to all Carbon ETC 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 of the Carbon 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 Carbon ETC Securities deposited and directions received as provided in paragraphs 9 and 12; and

- 10.6** appoint one or more named persons (each, a “**proxy**”) to vote at that meeting in respect of those Carbon ETC Securities and in accordance with that list. A proxy need not be a Securityholder.
- 11** Once the Issuing Agent or its agent has issued a block voting instruction for a meeting in respect of the votes attributable to any Carbon ETC Securities:
- 11.1** it shall not release the Carbon 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** A block voting instruction may be amended until 24 hours before the time fixed for the meeting.
- 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 Agent or its 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.

### **Chairman**

- 15** 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**

- 16** The following may attend and speak at a meeting:
- 16.1** Securityholders and agents;
- 16.2** the chairman;
- 16.3** the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers; and
- 16.4** the Programme Administrator relating to the relevant Series of Carbon ETC Securities and its legal and financial advisers.

No one else may attend or speak save for where permitted by the chairman.

### **Quorum and Adjournment**

- 17** 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.

- 17.1** At:
- 17.2** 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 Carbon 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).
- 17.3** 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 Carbon ETC Securities of the relevant Series outstanding.
- 17.4** 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 Carbon 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).
- 18** 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 19 or paragraph 17.
- 19** At least 14 calendar days’ prior notice (exclusive of the day on which notice is given) 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**

- 20** 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 not less than 2 per cent. of the aggregate number of Carbon ETC Securities of the relevant Series outstanding.
- 21** 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.
- 22** 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.
- 23** If a poll is demanded, it shall be taken in such manner and (subject as provided below) 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.

- 24 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 25 On a show of hands, every person who is present in person and who produces 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 Carbon ETC Security of such Series of Carbon ETC Securities 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**

- 26 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.
- 27 A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of Carbon ETC Securities outstanding 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.
- 28 If Carbon ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the Carbon 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**

- 29 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.
- 30 If Carbon ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the Carbon ETC Securities require, a copy of the minutes shall be notarised by a notary.

### **Trustee's Power to Prescribe Regulations**

- 31 Subject to all other provisions in the relevant Trust Deed and any laws and regulations applicable to the relevant Series of Carbon 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.

- 32** The foregoing provisions of this Schedule shall have effect subject to the following provisions:
- 32.1** 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.
- 32.2** 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.
- 32.3** 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 25, each Securityholder shall have one vote in respect of each Carbon ETC Security held that is outstanding.
- 32.4** 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.
- 32.5** To all such meetings as aforesaid all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Carbon ETC Securities and to Securityholders were references to the Carbon ETC Securities and Securityholders of the Series concerned.



**Schedule 3  
Form of Issue Deed**

[Date]

**XTRACKERS (JERSEY) ETC PLC**

and

**APEX CORPORATE TRUSTEES (UK) LIMITED**

and

**DWS INVESTMENTS UK LIMITED**

and

***[Insert Carbon Counterparty for the relevant Series]***

and

**APEX FUND SERVICES (IRELAND) LIMITED**

and

**CITIBANK, N.A., LONDON BRANCH**

and

***[Insert Carbon Accounts Administrator for the relevant Series]***

and

***[Insert Custodian for the relevant Series]***

and

**[Others]**

**ISSUE DEED**

constituting

**Xtrackers (Jersey) ETC PLC**

**Series [●]**

**[Currency and up to amount of Series]**

**[Description of the Carbon ETC Securities]**

issued pursuant to its

**Secured Xtrackers (Jersey) ETC PLC Carbon Linked Securities Programme**

**Linklaters**

Linklaters LLP

This Issue Deed is made on [●] between:

- (1) **XTRACKERS (JERSEY) ETC PLC** (the “**Issuer**”);
- (2) **APEX CORPORATE TRUSTEES (UK) LIMITED** (the “**Trustee**”);
- (3) **DWS INVESTMENTS UK LIMITED**, as programme administrator (in such capacity the “**Programme Administrator**”);
- (4) [●], as carbon counterparty (in such capacity the “**Carbon Counterparty**”);
- (5) **APEX FUND SERVICES (IRELAND) LIMITED** as determination agent and issuing agent (in such capacities, the “**Determination Agent**” and the “**Issuing Agent**” respectively);
- (6) **CITIBANK, N.A., LONDON BRANCH**, as paying agent for the purposes of the Conditions and the Agency Agreement (in such capacity the “**Paying Agent**”);
- (7) [●], as carbon accounts administrator (in such capacity the “**Carbon Accounts Administrator**”);
- (8) [●], as custodian (in such capacity the “**Custodian**”); and
- (9) [OTHERS].

**Whereas:**

This Issue Deed is entered into for the purposes of (i) entering into the Trust Deed constituting the Series of Carbon ETC Securities referred to herein and (ii) constituting and setting out the terms of the agreements made between the Issuer and each of the other parties hereto in relation to such Series of Carbon ETC Securities.

**This deed witnesses and it is declared** as follows:

## **1 Interpretation**

**1.1 Definitions:** Capitalised terms used in this Issue Deed but not otherwise defined shall have the meanings given to them in the Master Trust Terms incorporated by reference into this Issue Deed in accordance with Clause 2 or the Conditions and the following terms shall have the following meanings:

“**Conditions**” has the meaning given to it in the Master Trust Terms.

“**Carbon ETC Securities**” means the *[insert description of the Series of Carbon ETC Securities including currency, up to amount of the series and title of the Series]* (the “**Series**”) constituted by the Trust Deed and with the first Tranche expressly constituted pursuant to Clause 2 below with ISIN [●]. For the avoidance of doubt, references to the “**Carbon ETC Securities**” shall include all Tranches of the Series which are consolidated to form a single series with the Carbon ETC Securities comprising such Series irrespective of the date of issue of such Tranche.

“**Master Terms Document**” means each of the Master English Law Security Terms, the Master Jersey Law Security Terms, the Master Luxembourg Law Security Terms, the Master Agency Terms, the Master Determination Agent Terms, the Master Carbon Counterparty Terms, the Master Carbon Accounts Administrator Terms and the Master Custody Terms, in each case referred to in Clause 2, as well as the Master Trust Terms.

“**Master Trust Terms**” means, in respect of the Series referred to herein, the master trust terms relating to the Programme dated 15 November 2023, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in this Issue Deed or otherwise in accordance with the Conditions.

“**Series Issue Date**” means [●].

“**specified office**” means, in relation to any party, the office specified against such party’s name in the execution block of this Issue Deed or any other office notified to each party to this Issue Deed from time to time.

- 1.2 **Application:** This Issue Deed shall apply separately to the Series of Carbon ETC Securities to which it relates, except as otherwise provided herein.
- 1.3 **Headings:** Headings shall be ignored in construing this Issue Deed.
- 1.4 **Contracts:** References to this Issue Deed or any other document are to this Issue Deed or such other document as amended, supplemented, novated or replaced from time to time in relation to the Series and include any document that amends, supplements or replaces them.
- 1.5 **Schedules:** The Schedules are part of this Issue Deed and have effect accordingly.

## 2 **Constitution of Notes and Transaction Documents**

- 2.1 **Carbon ETC Securities:** Each of the parties has executed and delivered this Issue Deed for the purpose of constituting and securing the Carbon ETC Securities and/or entering into an agreement with one or more of the other parties, in each case on the Series Issue Date and as specified herein.
- 2.2 **Purpose and Trust Deed:** The Issuer, the Trustee, the Programme Administrator and the Issuing Agent have executed this Issue Deed for the purposes of entering into a Trust Deed constituting the Carbon ETC Securities on the terms of the Master Trust Terms and the Conditions, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.3 **English Law Security Deed:** The Issuer and the Trustee have executed and delivered this Issue Deed for the purposes of entering into an English Law Security Deed in relation to the Series of Carbon ETC Securities on the terms of the Master English Law Security Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.4 **Jersey Law Security Interest Agreement:** The Issuer and the Trustee have executed and delivered this Issue Deed for the purposes of entering into an Jersey Law Security Interest Agreement in relation to the Series of Carbon ETC Securities on the terms of the Master Jersey Law Security Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.5 **Luxembourg Law Pledge Agreement:** The Issuer, the Trustee and the Custodian have executed and delivered this Issue Deed for the purposes of entering into an Luxembourg Law Pledge Agreement in relation to the Series of Carbon ETC Securities on the terms of the Master Luxembourg Law Security Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.6 **Agency Agreement:** The Issuer, the Programme Administrator, the Issuing Agent, the Determination Agent, the Carbon Accounts Administrator, the Paying Agent and the Trustee have executed and delivered this Issue Deed for the purpose of entering into an Agency Agreement in relation to the Series of Carbon ETC Securities on the terms set out in the Master Agency Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.7 **Determination Agent Agreement:** The Issuer, the Determination Agent, the Programme Administrator, the Carbon Accounts Administrator and the Trustee have executed and delivered

this Issue Deed for the purposes of entering into a Determination Agent Agreement in relation to the Series of Carbon ETC Securities on the terms of the Master Determination Agent Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.

- 2.8 Carbon Counterparty Agreement:** The Issuer, the Carbon Counterparty, the Programme Administrator, the Determination Agent and the Trustee have executed and delivered this Issue Deed for the purposes of entering into a Carbon Counterparty Agreement in relation to the Series of Carbon ETC Securities on the terms of the Master Carbon Counterparty Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.9 Carbon Accounts Administrator Agreement:** The Issuer, the Carbon Accounts Administrator, the Programme Administrator and the Trustee have executed and delivered this Issue Deed for the purposes of entering into a Carbon Accounts Administrator Agreement in relation to the Series of Carbon ETC Securities on the terms of the Master Carbon Accounts Administrator Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.10 Custody Agreement:** The Issuer, the Custodian, the Carbon Accounts Administrator, the Trustee and the Programme Administrator have executed and delivered this Issue Deed for the purposes of entering into a Custody Agreement in relation to the Series of Carbon ETC Securities on the terms of the Master Custody Terms dated 15 November 2023, which shall have effect as though set out in full herein, modified and supplemented to the extent (if any) specified herein.
- 2.11 Counterparts:** Each document constituted pursuant to this Issue Deed may be executed in counterparts which, when taken together, shall constitute one and the same instrument.
- 2.12 Execution and Delivery as Deeds:** Each document constituted pursuant to this Issue Deed shall be executed and delivered as a deed pursuant to execution and delivery of this Issue Deed. For the avoidance of doubt, each document shall take effect as a deed, notwithstanding any reference to “agreement” in its title.

### **3 Amendments**

- 3.1 Modification or Amendment:** Except as otherwise provided in this Issue Deed or in any Master Terms Document, each of the documents entered into pursuant to Clause 2 may be modified or amended without the consent or agreement of any party hereto which has not entered into such document in accordance with Clause 2.
- 3.2 [SET OUT ANY AMENDMENTS TO THE MASTER TERMS HERE]**

### **4 Number and Status of the Carbon ETC Securities**

- 4.1 Aggregate number of Carbon ETC Securities comprising Series:** As at the Series Issue Date the aggregate number of Carbon ETC Securities to be issued is as specified in the Final Terms for Tranche 1 of the Series.
- 4.2 Status:** The Carbon ETC Securities constitute secured and limited recourse obligations of the Issuer, secured as provided in each Security Document.

### **5 Form of the Carbon ETC Securities**

The Carbon ETC Securities will be issued in bearer form. The Carbon ETC Securities of the first Tranche of the Series will be represented on issue by Global Securities in [NGN/CGN] form. Each Tranche of Carbon ETC Securities of the Series issued following the Series Issue Date will also

be represented on issue by such Global Security and, in accordance with the Agency Agreement for the Series, the Issuing Agent shall cause the existing Global Security to be annotated so as to reflect the increase of Carbon ETC Securities for such Series. The Global Security may not be exchanged for individual definitive bearer securities.

## **6 Series Carbon Account and Mirror Custody Account(s)**

The details of the Series Carbon Account are as follows:

Account Number: [●]

Name of Account Holder: [●]

Registry Administrator: [Luxembourg Ministry of the Environment, Climate and Sustainable Development (*Ministère de l'Environnement, du Climat et du Développement durable*)]

The details of the Mirror Custody Account(s) are as follows:

Account Number: [●]

Name of Account Holder: [●]

## **7 Notice and Acknowledgement of Assignment**

In respect of the Series Issue Date, the Issuer gives notice and each of the Determination Agent, the Issuing Agent, the Paying Agent, the Programme Administrator, the Carbon Counterparty, the Carbon Accounts Administrator and the Trustee consents to and acknowledges that it has notice of the assignment by way of security by the Issuer of all of its rights (but not obligations), title, interest and benefit present and future in, to and under the Agency Agreement, the Determination Agent Agreement, the Carbon Counterparty Agreement and the Carbon Accounts Administrator Agreement (in each case, to the extent that it relates to the relevant Series of Carbon ETC Securities) and of the Security created pursuant to the Security Documents constituted by this Issue Deed on the Series Issue Date and consents to any further assignment by way of security by the Issuer of such rights to any successor Trustee.

In respect of the Jersey Law Security and in accordance with clause 2.4 (*Control security*) of the relevant Jersey Law Security Interest Agreement, the Issuer further agrees to execute and deliver to the Account Bank (as defined therein), on the same date as the relevant Jersey Law Security Interest Agreement is entered into by the parties specified therein, a notice materially in the form set out in Schedule 1 of the relevant Jersey Law Security Interest Agreement (such notice to be dated and delivered on the Series Issue Date) and shall procure that the Account Bank (as defined therein) executes and delivers to the Trustee an acknowledgement materially in the form set out in Schedule 1 of the relevant Jersey Law Security Interest Agreement (such acknowledgment to be dated and delivered on the Series Issue Date).

Each of the Secured Creditors and Other Creditors acknowledges the Security made or granted by each relevant Security Document and undertakes to the Trustee not to do anything inconsistent with the Security given under or pursuant to the relevant Security Documents or knowingly to prejudice the Security granted to the Trustee pursuant to the relevant Security Documents or the Secured Property or the Trustee's interest therein, provided that, without prejudice to clause 2.18 (*Receiver powers*) of the relevant English Law Security Deed, clause 2.20 (*Appointee powers*) of the relevant Jersey Law Security Interest Agreement and clause 2.17 (*Appointee powers*) of the relevant Luxembourg Law Pledge Agreement, nothing in the relevant Security Documents or in the Master English Law Security Terms, Master Jersey Law Security Terms and/or Master Luxembourg Law Security Terms shall be construed as limiting the rights exercisable by the

aforesaid parties in accordance with and subject to the Terms of the other relevant Transaction Documents.

## **8 Communications**

- 8.1 Details:** Each party designates as its telephone number, electronic address and postal address for the receipt of any communication relating to this Issue Deed, the Carbon ETC Securities or any of the documents constituted by this Issue Deed in accordance with Clause 2, the respective telephone number, electronic address and postal address set out beneath such party's name on the execution pages of this Issue Deed.
- 8.2 Method:** Any communication, notice or notification to be made to any party under this Issue Deed including a communication, notice or notification required or permitted to be made under or pursuant to or in connection with any Transaction Document that does not otherwise contain communication provisions shall, unless otherwise stated in the relevant Transaction Document, be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), email or by delivering it by hand to the relevant address and marked for the attention of the relevant person(s) from time to time specified in writing by that party to the other for that purpose. The initial postal address, email address (if any) together with the telephone number (if any) and person(s) so specified by each party to this Issue Deed are as set out beneath such party's name on the execution pages of this Issue Deed.
- 8.3 Deemed Receipt:** For the purpose of this Issue Deed and any Transaction Document (unless otherwise stated in the relevant Transaction Document), any communication, notice or notification sent by any party to any other party shall be effective, (if by post) on the day it is delivered in the case of recorded delivery and three calendar days in the case of inland post or seven calendar days in the case of overseas post after despatch or if earlier when delivered and (if by electronic communication) when the relevant receipt of such communication being read is given or, where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Issue Deed and any Transaction Document which is to be sent by electronic communication will be written legal evidence.

## **9 Limited Recourse and Non-Petition**

- 9.1 Limited Recourse:** Each party to this Issue Deed acknowledges and agrees that, in respect of the relevant Series of Carbon ETC Securities, the Transaction Parties and the Securityholders shall have recourse only to the Secured Property in respect of the Series of Carbon ETC Securities, subject always to the Security, and not to any other assets of the Issuer (except the Carbon Counterparty, who is not a Secured Creditor and shall not have recourse to the Secured Property or any other assets of the Issuer). If, following realisation in full of such Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 5, the Trust Deed and the Security Documents (and/or in the case of a buy-back, following delivery of Allowance(s) (as applicable)), any outstanding claim against the Issuer in respect of the Secured Issuer Obligations or Other Issuer Obligations remains unpaid (or unsatisfied due to non-delivery of all or a portion of the relevant number of Allowance(s) in the case of buy-back), then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof.
- 9.2 No recourse to any shareholder, officer, agent, employee or director of the Issuer and extinguishment:** None of the Transaction Parties, the Securityholders or any other person acting

on behalf of any of them shall be entitled to take any steps against (i) any of the Issuer's officers, shareholders, corporate service providers or directors, or (ii) following extinguishment in accordance with this Clause 9, the Issuer to recover any further sum (or assets) 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 (or assets). It being expressly agreed and understood that the Carbon ETC Securities and the Transaction Documents are corporate obligations of the Issuer, each party agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in the Carbon ETC Securities or any Transaction Document or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director, is hereby deemed expressly waived by the Transaction Parties and the Securityholders.

- 9.3 Non-Petition:** 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 assets and/or property (i) attributable to any other securities issued by the Issuer (save for any further securities which form a single series with the Carbon ETC Securities) or (ii) not attributable to any particular Series.
- 9.4 Survival:** The provisions of this Clause 9 shall survive notwithstanding any redemption of the relevant Series of Carbon ETC Securities or the termination or expiration of any Transaction Document.
- 9.5 Enforcement:** Each party to this Issue Deed acknowledges and agrees that only the Trustee may enforce the Security over the Secured Property in accordance with, and subject to the terms of, Condition 5(e), the Trust Deed and the relevant Security Documents.

## **10 Governing Law and Submission to Jurisdiction**

- 10.1 Master documents:** The governing law, submission to jurisdiction and service of process with respect to each of the Trust Deed, the Carbon Counterparty Agreement, the Agency Agreement, the Determination Agent Agreement, the Carbon Accounts Administrator Agreement, the Custody Agreement and each Security Document shall be governed by and construed in accordance with the provisions specified in such document as being applicable thereto.
- 10.2 This Issue Deed:** Any residual issue arising with respect to this Issue Deed (including any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with English law and in relation to any legal action or proceedings arising out of or in connection herewith ("**Proceedings**"), the parties hereto irrevocably submit to the exclusive jurisdiction of the courts of England and waive any objections to Proceedings in such courts whether on the grounds of venue or on the grounds that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of each of the other parties hereto and the holders of the Carbon ETC Securities 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 one or more jurisdictions preclude any of them from taking Proceedings in any other jurisdiction (whether concurrently or not).
- 10.3 Service of process in England:** Each of the Issuer, Determination Agent, Issuing Agent, the Custodian and Carbon Accounts Administrator [*insert and amend parties as applicable*] irrevocably agrees to appoint, on or around the date of this Issue Deed, a process agent as its agent to receive, for it and on its behalf, service of process in any Proceedings in England. The process agent in

respect of each such party appointing a process agent shall either (i) be the party specified as its process agent in England for the Series next to its signature block in this Issue Deed or (ii) if no such process agent is so specified in this Issue Deed in respect of such party, be notified to each of the other parties to this Issue Deed as soon as reasonably practicable following its appointment. Service of process on such agent shall be deemed valid service upon such appointing party whether or not it is forwarded to and received by the appointing party. Each party appointing a process agent shall inform all other parties 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 England, each party who has appointed such process agent irrevocably agrees to appoint a substitute process agent in England reasonably acceptable to the other parties and to deliver to each of the other parties a copy of the substitute process agent's written acceptance of that appointment, within 14 calendar days. Each party appointing a process agent irrevocably consents to any process in any Proceedings anywhere being served by mailing a copy by registered post to such process agent in accordance with Clause 8. However, nothing in this Clause 10.3 shall affect the right to serve process in any other manner permitted by law.

## **11 Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Issue Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Issue Deed.

## **12 Counterparts**

This Issue Deed may be executed in counterparts which, when taken together, shall constitute one and the same instrument.



**This deed is delivered the day and year first before written.**

**Issuer**

SIGNED AND DELIVERED as a deed for and on behalf of **XTRACKERS (JERSEY) ETC PLC** )  
by its duly authorised signatory in the presence of: )  
)

(Signature of Witness):

(Name of Witness):

(Address of Witness):

(Occupation of Witness):

Address: IFC 5, St. Helier, JE1 1ST, Jersey  
Telephone no.: +44 1534 847000  
Email: cpa1@apexfs.com  
Attention: The Directors

Process Agent for England: Apex Agency Services Ltd

Address of Process Agent: 6<sup>th</sup> Floor, 125 London Wall, London, EC2Y 5AS, United Kingdom

**Trustee**

Executed as a Deed by

**APEX CORPORATE TRUSTEES (UK) LIMITED**

acting through its duly authorised attorney:

in the presence of:

Witness' Name:

Witness Address:

Address: 6<sup>th</sup> Floor, 125 London Wall, London, EC2Y 5AS, United Kingdom  
Email: [corporatetrusts@apexgroup.com](mailto:corporatetrusts@apexgroup.com)  
Attention: Manager, Corporate Trusts

**Issuing Agent and Determination Agent**

Signed as a deed for and on behalf of

**APEX FUND SERVICES (IRELAND) LIMITED**

By:

By:

Address: 2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin, Ireland

Telephone no.: +35314112949

Email: [etfta@apexgroup.com](mailto:etfta@apexgroup.com)

Attention: James Burke

Bryan Atkinson

Process Agent for England: Apex Agency Services Ltd.

Address of Process Agent: 6th Floor, 125 London Wall, London, EC2Y 5AS, United Kingdom

**Programme Administrator**

Signed as a deed for and on behalf of

**DWS INVESTMENTS UK LIMITED**

By:

By:

Address: Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom

Telephone no.: +44 2075 450203

Email: PassiveProductsEMEA@list.db.com

Attention: Mr Sam Sadayo

**Carbon Counterparty**

Signed as a deed for and on behalf of

[•]

By:

By:

Address: [•]

Telephone no.: [•]

Email: [•]

[•]

Attention: [•]

[•]

[Process Agent for England: [•]]

[Address of Process Agent: [•]]

**Carbon Accounts Administrator**

Signed as a deed for and on behalf of

[•]

By:

By:

Address: [•]

Telephone no.: [•]

Email: [•]

Attention: [•]

Process Agent for England: [•]

Address of Process Agent: [•]

**Paying Agent**

Signed as a deed for and on behalf of

**CITIBANK, N.A., LONDON BRANCH**

By:

Address: Citigroup Centre, Canada Square, London, E14 5LB, United Kingdom

Telephone no.: +353 1 622 1599

Email: etfoptionsdublin@citi.com

Attention: ETF Operations

**Custodian**

Signed as a deed for and on behalf of

[•]

By:

By:

Address: [•]

Telephone no.: [•]

Email: [•]

[•]

Attention: [•]

[•]

[Process Agent for England: [•]

[Address of Process Agent: [•]]

***[INSERT SIGNATURE BLOCK AND NOTICE DETAILS FOR ANY OTHER PARTIES EXECUTING THE ISSUE DEED]***

**Schedule  
Final Terms**

***[THE FINAL TERMS RELATING TO THE FIRST TRANCHE OF THE RELEVANT SERIES SHALL BE  
INSERTED HERE, TOGETHER WITH ANY ADDITIONAL DETAILS (AS APPLICABLE)]***

**Schedule 4**  
**Master Terms and Conditions**

## MASTER TERMS AND CONDITIONS OF THE CARBON 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 Carbon 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, shall be endorsed on the Bearer Securities. For the avoidance of doubt, in the case of (i) above 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 Carbon 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.*

These terms and conditions apply separately to each Series and, accordingly, references in these terms and conditions to “Carbon ETC Securities” are to the Carbon ETC Securities of the relevant Series only and references to any defined term that applies in respect of each Series is to such defined term as it relates to such relevant Series (unless, in any such case, specified otherwise or unless the context otherwise requires).

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

A non-binding translation of the following text of the terms and conditions may be prepared in relation to this Series of Carbon 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 Central Bank or Euronext Dublin or any another similar body in any other jurisdiction.

Copies of the Base Prospectus (including the Conditions) and any supplement thereto, the relevant Final Terms for each tranche of Carbon ETC Securities and such other document (if any) as required by the rules of any Relevant Stock Exchange are available for inspection during normal business hours at the specified office of the Issuer and the Issuing Agent and will be sent to a prospective or current Securityholder on request to the Issuer or the Issuing Agent.

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:

“**Abandonment of Scheme**” has the meaning given to it in Condition 7(d)(xii).

“**Abandonment of Scheme Redemption Event**” has the meaning given to it in Condition 7(d)(xii).

“**Abandonment of Scheme Redemption Event Notice**” has the meaning given to it in Condition 7(d)(xii).

“**Adjustment Spread**” has the meaning given to it in Condition 9(b).

“**Administration Services Agreement**” means the administration services agreement in respect of the Issuer dated on or about 15 November 2023 entered into by the Issuer and the Corporate Services Provider as amended, supplemented, novated or replaced from time to time.



**“Administrator/Benchmark Event”** means, in respect of this Series of Carbon ETC Securities and a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Reference Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer, the Determination Agent, the Programme Administrator or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Carbon ETC Securities.

**“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, in respect of a Series, the agency agreement relating to such Series of Carbon ETC Securities entered into by the Issuer, the Trustee, the Issuing Agent and the Paying Agent(s) and any other parties thereto 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.

**“Agents”** means the Programme Administrator, the Determination Agent, the Issuing Agent, the Carbon Accounts Administrator, the Paying Agent(s), the Custodian, the Carbon Counterparty and such other agent(s) as may be appointed from time to time in relation to the Carbon ETC Securities, and any successor or replacement thereto and **“Agent”** means any of them.

**“Agent Bankruptcy/Breach Redemption Event”** has the meaning given to it in Condition 7(d)(ix).

**“Agent Bankruptcy/Breach Redemption Event Notice”** has the meaning given to it in Condition 7(d)(ix).

**“Agent/Trustee Redemption Event”** has the meaning given to it in Condition 7(d)(ii).

**“Agent/Trustee Redemption Event Notice”** has the meaning given to it in Condition 7(d)(ii).

**“Aggregate Allowance(s) Sold”** has the meaning given to it in Condition 7.

**“Aggregate Final Allowance(s) Entitlement”** has the meaning given to it in Condition 7.

**“Aggregate Net Sale Proceeds”** has the meaning given to it in Condition 7.

**“Allowance Type”** means the type of Allowance(s) specified in the Final Terms. As at the date of this Base Prospectus, the only Allowance Type that Carbon ETC Securities issued under this Programme may specify is EUAs.

**“Allowance(s)”** means specified allowances, credits, permits, rights or similar assets which represent a specific volume of carbon dioxide equivalent or other greenhouse gas, which is issued, allocated, created or recognised in accordance with the rules and regulations governing participation in a Scheme.

**“Allowance(s) Applicable Secured Property”** means the Luxembourg Law Secured Property.

**“Allowance(s) Applicable Security”** means the Luxembourg Law Security.

**“Allowance(s) Business Day”** means any Weekday on which the Allowance(s) Reference Price Source is scheduled to be fixed during business hours in Germany.

**“Allowance(s) Entitlement per Carbon ETC Security”** has the meaning given to it in Condition 4(b).

**“Allowance(s) Reference Price”** has the meaning given to it in Condition 4.

**“Allowance(s) Reference Price Source”** has the meaning given to it in Condition 4.

**“Allowance(s) Reference Price Source Disruption”** has the meaning given to it in Condition 8(a).

**“Allowance(s) Sale Request Details”** has the meaning given to it in the relevant Carbon Counterparty Agreement, being the following details notified by the Determination Agent to the Issuer (copied to the Programme Administrator) pursuant to clause 2.4.8 of the relevant Determination Agent Agreement and on a day prior to the first day of the related Redemption Disposal Period and by the time separately agreed between the Programme Administrator, the Determination Agent and the Carbon Counterparty:

- (i) the aggregate number of Underlying Allowance(s) to be sold by the Issuer to the Carbon Counterparty; and
- (ii) the Issuer’s account details for settlement of the relevant Net Sale Proceeds.

**“Allowance(s) Sale Request Notice”** has the meaning given to it in clause 4.2.2 (*Allowance(s) Sale Request Notice*) of the relevant Carbon Counterparty Agreement, being a notice containing the Allowance(s) Sale Request Details delivered by the Issuer, on the same day following its receipt of the corresponding notice from the Determination Agent containing the Allowance(s) Sale Request Details, to the Carbon Counterparty (with a copy to the Determination Agent and the Programme Administrator) by the time separately agreed between the Programme Administrator, the Issuer and the Carbon Counterparty that the Issuer wishes to sell the relevant Underlying Allowance(s) to the Carbon Counterparty.

**“Allowance(s) Security Document”** means the Luxembourg Law Pledge Agreement.

**“AP Business Day Location”** means, in respect of a transfer of Allowance(s) between the Issuer and an Authorised Participant, the place corresponding to the relevant section of the Registry from which such Authorised Participant is delivering Allowance(s), or to which such Authorised Participant is receiving Allowance(s), as applicable.

**“Appointee”** has the meaning given to it in Condition 19(y).

**“Auctioning Regulation”** means the Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a system for greenhouse gas emission allowances trading within the Union, as amended from time to time.

**“Authorised Participant”** means each Authorised Participant appointed by or on behalf of the Issuer in relation to the relevant Series of Carbon ETC Securities from time to time. Each such Authorised Participant shall be a reputable financial services entity that is subject to the appropriate regulation in one or more of (i) a member state of the European Union, (ii) Jersey, (iii) the United Kingdom, and (iv) any another jurisdiction that is not a country or territory identified as presenting higher risks in the Anti-Money Laundering/Counter-Terrorist Financing Handbook for regulated financial services business as published by the Jersey Financial Services Commission from time to time. The list of Authorised Participants will be published on the website of the Issuer at: <https://etf.dws.com/en-lu/audience-selection/?returnUrl=%2fen-lu%2finformation%2fetc-documents%2fannouncements%2f> (or such other website as may be notified to Securityholders).

**“Authorised Participant Agreement”** means, in respect of a Series, each authorised participant agreement entered into between the Issuer and an Authorised Participant in connection with Carbon ETC Securities to the extent it relates to this Series of Carbon ETC Securities and which may be entered into at any time, whether before or after the Series Issue Date.

**“Average Allowance(s) Sale Price”** has the meaning given to it in Condition 7.

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

**“Business Day”** means a Weekday that is a London Business Day, a Registry Business Day, a Jersey Business Day, an Allowance(s) Business Day and a Currency Business Day.

**“Buy-Back Order”** means each request from an Authorised Participant appointed in respect of a Series of Carbon ETC Securities that the Issuer buy back Carbon ETC Securities of the relevant Series of Carbon ETC Securities in the number of Carbon ETC Securities specified in such request.

**“Buy-Back Redemption Amount”** means, in respect of a Buy-Back Order, the number of Allowance(s) validated by the Issuing Agent as being equal to the product of (i) the Allowance(s) Entitlement per Carbon ETC Security in respect of the relevant Buy-Back Trade Date (as defined in the relevant Authorised Participant Agreement) and (ii) the aggregate number of Carbon ETC Securities to be purchased pursuant to the relevant Buy-Back Order, such total rounded down to the nearest whole number.

**“Carbon Accounts Administrator”** means the entity specified as such in the Final Terms and any successor or replacement thereto. In respect of Carbon ETC Securities where the Allowance Type is EUAs and the Custodian is European Depository Bank S.A., the Carbon Accounts Administrator shall be Apex Financial Services (Corporate) Limited and any successor or replacement thereto.

**“Carbon Accounts Administrator Agreement”** means, in respect of a Series, the carbon accounts administrator agreement relating to the Carbon ETC Securities and other similar securities and entered into by the Issuer, the Carbon Accounts Administrator and any other parties thereto and in the form of the Master Carbon Accounts Administrator Terms (as amended and/or supplemented by the Issue Deed) and as such Carbon Accounts Administrator Agreement is amended, supplemented, novated or replaced from time to time.

**“Carbon Accounts Administrator Bankruptcy Event”** means the Carbon Accounts Administrator 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, a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation or becomes “bankrupt” as such term is defined in Article 8 of the Interpretation (Jersey) Law 1954.

**“Carbon Accounts Closure Event”** has the meaning given to it in Condition 8(a).

**“Carbon Accounts Closure Redemption Event”** has the meaning given to it in Condition 7(d)(xiii).

**“Carbon Accounts Closure Redemption Event Notice”** has the meaning given to it in Condition 7(d)(xiii).

**“Carbon Counterparty”** means the entity specified as such in the Final Terms and any successor or replacement thereto.

**“Carbon Counterparty Agreement”** means, in respect of a Series, the carbon counterparty agreement relating to such Series of Carbon ETC Securities entered into by the Issuer and the Carbon Counterparty and any other parties thereto and in the form of the Master Carbon Counterparty Terms (as amended and/or supplemented by the Issue Deed) and as such Carbon Counterparty Agreement is amended, supplemented, novated or replaced from time to time.

**“Carbon Counterparty Bankruptcy Event”** means the Carbon 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, liquidator or other similar official of either the entity or all or substantially all 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 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.

**“Carbon Counterparty Business Day Location”** means, in respect of a transfer of Allowance(s) between the Issuer and the Carbon Counterparty, the place corresponding to the relevant section of the Registry from which the Carbon Counterparty is delivering Allowance(s), or to which the Carbon Counterparty is receiving Allowance(s), as applicable.

**“Carbon Counterparty FTP Consequence”** has the meaning given to it in Condition 5(d)(i)(C).

**“Carbon CP Bankruptcy Replacement Failure”** has the meaning given to it in the relevant Carbon Counterparty Agreement, being a failure by the Issuer to enter into an agreement with a successor or replacement Eligible Carbon Counterparty within the relevant time period pursuant to clause 9.1.3 (*Automatic termination*) of the relevant Carbon Counterparty Agreement.

**“Carbon CP Determination Standard”** has the meaning given to it in Condition 8(b)(iv).

**“Carbon CP Illegality Event”** has the meaning given to it in the relevant Carbon Counterparty Agreement, being due to the adoption of, or change in the reasonable interpretation of, any applicable law, regulation, rule, order, ruling or procedure, it has become illegal for the Carbon Counterparty to hold, acquire or dispose of any Allowance(s).

**“Carbon CP Replacement Failure”** has the meaning given to it in the relevant Carbon Counterparty Agreement, and shall occur following the Carbon Counterparty’s failure to nominate an Eligible Carbon Counterparty before the expiry of the relevant 60 calendar day notice period (or such earlier date of expiry calculated pursuant to the relevant Carbon Counterparty Agreement) pursuant to clause 9.1.2 (*Condition to termination*) of the relevant Carbon Counterparty Agreement.

**“Carbon CP Specified Disruption Notice”** has the meaning given to it in Condition 8(b)(iv).

**“Carbon CP Suspension Election”** has the meaning given to it in Condition 8(d)(iii).

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

**“Carry-Over Product Fee Allowance(s)”** has the meaning given to it in clause 5.1.1 (*Notification of satisfaction of Relevant Volume Threshold Requirement(s)*) of the relevant Carbon Counterparty Agreement, being a number of Product Fee Allowance(s) which are not sold to the Carbon Counterparty on the relevant date where the relevant volume threshold requirement(s) in respect of such date are not satisfied.

**“Central Administrator”** has the meaning given to it in Condition 8(a).

**“Central Bank”** means the Central Bank of Ireland and any successor or replacement thereto.

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

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

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

“**Code**” has the meaning given to it in Condition 10(c).

“**Companies Law**” means the Companies (Jersey) Law 1991.

“**Conditions**” means these terms and conditions, as supplemented and/or varied or completed, as applicable, in respect of a Series or a particular Tranche by Part A of the relevant Final Terms and the provisions of any Global Security.

“**Confirmed Underlying Allowance(s)**” means the number of Underlying Allowance(s) specified in a Price Confirmation Notice as being purchased by the Carbon Counterparty.

“**Constitution**” means the Issuer’s memorandum of association and articles of association.

“**Corporate Services Provider**” means, with respect to the Issuer, Apex Financial Services (Corporate) Limited, whose registered office is at IFC 5, St. Helier, JE1 1ST, Jersey and any successor or replacement thereto.

“**Currency Business Day**” means, with respect to the Specified Currency, each Weekday that is a TARGET Settlement Day.

“**Custodian**” means the entity specified as such in the Final Terms and any successor or replacement thereto. In respect of Carbon ETC Securities where the Allowance Type is EUAs, the Custodian shall be European Depository Bank S.A. and any successor or replacement thereto.

“**Custodian Bankruptcy Event**” means 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, any moratorium, judicial reorganisation, reorganisation by amical agreement, 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 (including if an order is made or an effective resolution is passed for the judicial liquidation (*liquidation judiciaire*) of the Custodian in accordance with Articles 129ff. of the Luxembourg law of 18 December 2015 on the default of credit institutions and certain investment firms, as amended (the “**Resolution Law**”) or an effective resolution is passed for the voluntary liquidation (*liquidation volontaire*) of the Custodian in accordance with Article 128 of the Resolution Law) 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.

“**Custodian Bankruptcy/Breach/Illegality Replacement Failure**” has the meaning given to it in the relevant Custody Agreement, being a failure by the Issuer to enter into an agreement with a successor or replacement Eligible Custodian within the relevant time period pursuant to clause 10.5 (*Bankruptcy, Immediate Termination and other events*) of the relevant Custody Agreement.

“**Custodian Breach**” has the meaning given to it in the relevant Custody Agreement, being (i) a material breach by the Custodian of its obligations under the relevant Custody Agreement and, to the extent such breach is capable of being remedied, the Custodian fails to cure such breach within 15 calendar days of its becoming aware of, or its receiving notice from the Issuer or the Trustee of such breach or (ii) a breach by the Custodian of its obligations under the relevant Custody Agreement and, to the extent such breach is capable of being remedied, the Custodian fails to cure such breach within 30 calendar days of its

becoming aware of, or its receiving notice from the Issuer or the Trustee of such breach, in each case following the relevant cure period.

**“Custodian Disrepute Event”** has the meaning given to it in the Custody Agreement, being where the Issuer commits an act that in any way, in the opinion of a reasonable person, damaged or brought disrepute to the business or reputation of the Custodian.

**“Custodian Illegality Event”** has the meaning given to it in the relevant Custody Agreement, being an event due to the adoption of any change in, any applicable policies (including the EU emissions policy) or law or the electronic accounting systems impacting the EUAs constituting the Underlying Allowance(s) or the Union Registry after the Series Issue Date, it has become unlawful for the Custodian (on the Issuer’s behalf) (i) to receive a delivery of EUAs, (ii) to hold or effect a transfer of all or some only of the Underlying Allowance(s) or (iii) to maintain and/or operate (including following instruction from the Carbon Accounts Administrator) the Series Carbon Account.

**“Custodian Replacement Failure”** has the meaning given to it in the relevant Custody Agreement, and shall occur following the Custodian’s failure to nominate an Eligible Custodian before the expiry of the relevant 60 calendar day notice period (or such earlier date of expiry calculated pursuant to the relevant Custody Agreement) pursuant to clause 10.4 (*Condition to resignation and termination*) of the relevant Custody Agreement.

**“Custody Agreement”** means, in respect of a Series, the custody agreement relating to such Series of Carbon ETC Securities entered into by the Issuer, the Custodian, the Carbon Accounts Administrator and any other parties thereto 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.

**“Custody Agreement AML Breach”** has the meaning given to it in the relevant Custody Agreement, being where the Issuer does not comply, within a reasonable timeframe, with the last request of the Custodian (provided that such request is reasonable) to provide documents requested by the Custodian for the documentation of the business relationship for the prevention of money laundering and terrorism financing activities and the Custodian notifies the Issuer of such failure to comply.

**“Day Count Fraction”** has the meaning given to it in Condition 4.

**“Determination Agent”** means Apex Fund Services (Ireland) Limited and any successor or replacement thereto.

**“Determination Agent Agreement”** means, in respect of a Series, the determination agent agreement relating to such Series of Carbon ETC Securities entered into by the Issuer, the Determination Agent and any other parties thereto 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 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, examiner, 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, examiner, 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.

**“Determination Agent Breach”** has the meaning given to it in Condition 10(f).

**“Determination Agent Regulatory Breach”** has the meaning given to it in the relevant Determination Agent Agreement, being if the Determination Agent breaches any applicable laws or regulations or becomes subject to a lawsuit, regulatory action, government investigation, allegation, demand, claim, request, inquiry, sanction, arbitration or proceeding that the Issuer or the Programme Administrator reasonably determines could cause reputational harm.

**“Determination Agreement Breach”** has the meaning given to it in the relevant Determination Agent Agreement, being 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 Administrator 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 Administrator of such breach, in each case following the relevant cure period.

**“Disrupted Day”** means a Scheduled Valuation Day that is not a Valuation Day.

**“Disrupted Disposal Period Event”** has the meaning given to it in Condition 8(d)(ii)(B).

**“Disrupted Offer Event”** has the meaning given to it in Condition 8(d)(i).

**“Disrupted Remaining Sale/Purchase Event”** has the meaning given to it in Condition 8(d)(ii)(C).

**“Disrupted Settlement Event”** has the meaning given to it in Condition 8(d)(iii).

**“Disruption Event”** has the meaning given to it in Condition 8.

**“Disruption Event Notice”** has the meaning given to it in Condition 8(b).

**“DWSI”** means DWS Investments UK Limited and any successor or replacement thereto.

**“Early Allowance(s) Redemption Amount”** has the meaning given to it in Condition 7.

**“Early Redemption Amount”** has the meaning given to it in Condition 7(b).

**“Early Redemption Disposal Period”** means, subject to Condition 8(c), the period which lasts [*To be specified in Final Terms – [●] days*], which shall start from (but exclude) the date falling four Business Days following the Early Redemption Valuation Date.

**“Early Redemption Event”** has the meaning given to it in Condition 7(d).

**“Early Redemption Valuation Date”** has the meaning given to it in Condition 7.

**“Eligible Carbon Accounts Administrator”** means a reputable entity that the Issuer and the Programme Administrator reasonably determines is capable of performing the role of Carbon Accounts Administrator under the Carbon Accounts Administration Agreement.

**“Eligible Carbon Counterparty”** means any bank, credit institution, financial institution or investment firm (which for these purposes shall include any leading dealer or broker in carbon allowance(s)) incorporated, domiciled and regulated in an OECD country and which meets the requirements set out in clause 9.2.1 (*Carbon Counterparty Requirements*) of the relevant Carbon Counterparty Agreement and whose appointment shall be further subject to clause 9.1.5 (*Programme Administrator Determination*).

**“Eligible Custodian”** means a reputable bank or other financial institution which the Issuer reasonably determines is capable of acting in a manner consistent with the standards and practices of a professional

custodian for hire in the markets or jurisdictions in which the Custodian is obliged to perform services under the relevant Custody Agreement.

**“Eligible Determination Agent”** means a reputable entity that provides administration services of a similar type to those required of the Determination Agent under the Relevant Provisions that the Issuer reasonably determines is capable of making the calculation(s) and/or determination(s) required to be made by the Determination Agent under the Relevant Provisions and that is subject to the appropriate regulation in one or more of (i) a member state of the European Union, (ii) Jersey, (iii) the United Kingdom, and (iv) any another jurisdiction that is not a country or territory identified as presenting higher risks in the Anti-Money Laundering/Counter-Terrorist Financing Handbook for regulated financial services business as published by the Jersey Financial Services Commission from time to time.

**“Eligible Programme Administrator”** means a reputable financial services entity that the Issuer reasonably determines is capable of performing the role of Programme Administrator under the Programme Administrator Agreement.

**“Emissions Administrator Event”** has the meaning given to it in Condition 8(a).

**“Emissions Disruption Event”** has the meaning given to it in Condition 8(a).

**“Emissions Disruption Redemption Event Notice”** has the meaning given to it in Condition 7(d)(xiv).

**“Emissions Disruption Redemption Event”** has the meaning given to it in Condition 7(d)(xiv).

**“Emissions Suspension Event”** has the meaning given to it in Condition 8(a).

**“Enforcement Event”** has the meaning given to it in Condition 5(e).

**“Enforcement Notice”** has the meaning given to it in Condition 5(e).

**“English Law Secured Property”** means the Secured Agent Rights and the Secured Assets which are secured pursuant to the English Law Security Deed.

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

**“English Law Security Deed”** means, in respect of a Series, the security deed governed by English law relating to such Series of Carbon 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 English Law Security Terms (as amended and/or supplemented by the Issue Deed) and as such English Law Security Deed is amended, supplemented, novated or replaced from time to time.

**“EU”** means the European Union.

**“EU ETS”** means the European Union Emissions Trading System.

**“EU ETS Directive”** means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time.

**“EUA”** means a unit of account that is an “allowance” to emit one metric tonne of carbon dioxide (CO<sub>2</sub>) or an amount of any other greenhouse gas listed in Annex II of the EU ETS Directive with an equivalent global-warming potential, as defined in the EU ETS Directive and issued pursuant to Chapter III thereof (during the phase specified in the relevant Final Terms) and is used in the EU ETS. For the avoidance of doubt, (i) an “EUA” is an Allowance Type and (ii) the Issuer may hold either (or a combination of) EUAs allocated in Phase III (1 January 2013 to 31 December 2020) of the EU ETS or EUAs allocated in Phase IV (1 January 2021 to 31 December 2030) of the EU ETS.

**“EUA Regulatory Event”** has the meaning given to it in Condition 7(d)(x).

**“EUA Regulatory Redemption Event”** has the meaning given to it in Condition 7(d)(x).



**“EUA Regulatory Redemption Event Notice”** has the meaning given to it in Condition 7(d)(x).

**“Euro Dissolution Event Notice”** has the meaning given to it in Condition 7(d)(vii).

**“Euro Dissolution Redemption Event”** has the meaning given to it in Condition 7(d)(vii).

**“Euro Member State”** means any member state that has adopted or adopts the single currency in accordance with the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community (signed in Lisbon on 13 December 2007).

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

**“Euronext Dublin”** means The Irish Stock Exchange plc trading as Euronext Dublin and any successor thereto.

**“EUTL”** has the meaning given to it in Condition 8(a).

**“Event of Default”** has the meaning given to it in Condition 12.

**“Event of Default Redemption Notice”** has the meaning given to it in Condition 12.

**“Extraordinary Resolution”** means, in respect of a Series, 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 Carbon 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.

**“Failure to Comply”** has the meaning given to it in Condition 8(a).

**“Failure to Deliver”** has the meaning given to it in Condition 8(a).

**“Fallback Valuation Date Determination”** has the meaning given to it in Condition 8(c)(i).

**“Final Allowance(s) Redemption Amount”** has the meaning given to it in Condition 7.

**“Final Redemption Amount”** has the meaning given to it in Condition 7(a).

**“Final Redemption Disposal Period”** means, subject to Condition 8(c), the period which lasts [*To be specified in Final Terms – [●] days*], which shall start from (but exclude) the date falling four Business Days following the Final Redemption Valuation Date.

**“Final Redemption Valuation Date”** has the meaning given to it in Condition 7.

**“Final Terms”** means, in respect of a Series and a Tranche, the final terms issued specifying the relevant issue details of such Tranche of Carbon ETC Securities for such Series, in the form and on the same terms set out in the Issue Deed relating to the first Tranche of Carbon ETC Securities for such Series (and with the final terms for each Tranche of a Series resulting in the same terms and conditions as the Carbon ETC Securities in all respects and so that such further Tranche shall be consolidated and form a single series with the Carbon ETC Securities pursuant to Condition 16, provided that, for the avoidance of doubt, different issue dates and updated references to the number of Carbon ETC Securities of the Series and updated references to other variables as they stand at or around the issue date of the Tranche shall not result in different terms and conditions or to the final terms for the Tranche being deemed to be on different terms or in a different form).

**“Force Majeure Disruption Event”** has the meaning given to it in Condition 8(a).

**“Global Security”** means, in respect of a Series, the permanent global security representing the Carbon ETC Securities comprising such Series.

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

“**Holding Account**” means a form of digital record maintained in a Registry (pursuant to and in accordance with the Registries Regulation) that is able to be used to record the allocation (if applicable), holding and transfer of EUAs pursuant to and in accordance with the Scheme.

“**Initial Allowance(s) Entitlement per Carbon ETC Security**” means, on the Series Issue Date, the Initial Allowance(s) Entitlement per Carbon ETC Security [*To be specified in Final Terms* – [is][was] [●]].

“**Initial Early Redemption Event**” has the meaning given to it in Condition 7(b).

“**Issue Deed**” means, in respect of a Series, the issue deed in respect of such Series of Carbon ETC Securities made between, *inter alios*, the Issuer, the Trustee and the other parties specified therein and which constitutes such Series (as amended, supplemented, novated or replaced from time to time) and which will be entered into at the time of the first Tranche of Carbon ETC Securities for that Series and which will apply, without further action and without the need for re-execution or execution of a new Issue Deed, to any further Tranches of that Series. Any document which amends, supplements or replaces a Transaction Document originally constituted by the Issue Deed shall itself be considered to be part of the Issue Deed as between the parties to such document.

“**Issue Price per Carbon ETC Security**” means:

- (i) on the Series Issue Date of a Series, the Issue Price per Carbon ETC Security of that Series is an amount equal to (a) the Initial Allowance(s) Entitlement per Carbon ETC Security; multiplied by (b) the Allowance(s) Reference Price with respect to the Series Issue Date; and
- (ii) in relation to any subsequent Tranche of the Carbon ETC Securities of that Series issued after the Series Issue Date, the Value per Carbon ETC Security (as determined by the Determination Agent and published on the website maintained on behalf of the Issuer at [www.etf.dws.com](http://www.etf.dws.com) (or such other website notified by the Issuer for such Series of Carbon ETC Securities from time to time)) in respect of the Subscription Trade Date relating to such Tranche,

in each case, expressed in the Specified Currency.

“**Issuer**” means Xtrackers (Jersey) ETC PLC, a public limited company with registered number 145739, or any replacement or successor thereto.

“**Issuer Call Redemption Event**” has the meaning given to it in Condition 7(c).

“**Issuer Call Redemption Notice**” has the meaning given to it in Condition 7(c).

“**Issuer Change in Law or Regulation Redemption Event**” has the meaning given to it in Condition 7(d)(i).

“**Issuer Illegality Event**” has the meaning given to it in Condition 7(d)(i).

“**Issuer Insolvency Event**” has the meaning given to it in Condition 12.

“**Issuer Redemption Notice**” has the meaning given to it in Condition 7(d)(i).

“**Issuer Series Fees and Expenses**” means the Series Overheads 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 Carbon ETC Securities or, if later, on the date(s) on which application of proceeds is made in accordance with the Trust Deed, the Security Documents and the Conditions.

“**Issuer Theft Event Notice**” has the meaning given to it in Condition 7(d)(viii).

“**Issuing Agent**” means Apex Fund Services (Ireland) Limited and any successor or replacement thereto.

**“Issuing Agent Bankruptcy Event”** means the Issuing 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, examiner, 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, examiner, 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.

**“Jersey Business Day”** means each day on which banks are generally scheduled to be open for business in Jersey.

**“Jersey GST”** means any goods and services tax as provided for under the Goods and Services Tax (Jersey) Law 2007.

**“Jersey Law Secured Property”** means the Secured Agent Rights and the Secured Assets which are secured pursuant to the Jersey Law Security Interest Agreement.

**“Jersey Law Security”** means the security constituted by the Jersey Law Security Interest Agreement.

**“Jersey Law Security Interest Agreement”** means, in respect of a Series, the security interest agreement governed by the laws of Jersey relating to such Series of Carbon ETC Securities entered into by the Issuer and the Trustee by the execution of the Issue Deed and in the form of the Master Jersey Law Security Terms (as amended and/or supplemented by the Issue Deed) and as such Jersey Law Security Interest Agreement is amended, supplemented, novated or replaced from time to time.

**“Linking Agreement”** has the meaning given to it in Condition 8(a).

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

**“London time”** means the time in London, England.

**“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.

**“LSTL”** has the meaning given to it in Condition 8(a).

**“Luxembourg Account Administrator”** has the meaning given to it in Condition 8(a).

**“Luxembourg Law Pledge Agreement”** means, in respect of a Series, the pledge agreement governed by Luxembourg law relating to such Series of Carbon ETC Securities entered into by the Issuer, the Trustee and the Custodian by the execution of the Issue Deed and in the form of the Master Luxembourg Law Security Terms (as amended and/or supplemented by the Issue Deed) and as such Luxembourg Law Pledge Agreement is amended, supplemented, novated or replaced from time to time.

**“Luxembourg Law Secured Property”** means the Secured Agent Rights and the Secured Assets which are secured pursuant to the Luxembourg Law Pledge Agreement.

**“Luxembourg Law Security”** means the security constituted by the Luxembourg Law Pledge Agreement.

**“Master Agency Terms”** means, in respect of a Series, the master agency terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented,

novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Carbon Accounts Administrator Terms”** means, in respect of a Series, the master carbon accounts administrator terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Carbon Counterparty Terms”** means, in respect of a Series, the master carbon counterparty terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Custody Terms”** means, in respect of a Series, the master custody terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Determination Agent Terms”** means, in respect of a Series, the master determination agent terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master English Law Security Terms”** means, in respect of a Series, the master English law security terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Jersey Law Security Terms”** means, in respect of a Series, the master Jersey law security terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Luxembourg Law Security Terms”** means, in respect of a Series, the master Luxembourg law security terms relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Terms and Conditions”** means, in respect of a Series, the master terms and conditions relating to the Programme and specified in the Issue Deed in relation to such Series, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Master Trust Terms”** means, in respect of a Series, the master trust terms specified in the Issue Deed relating to such Series of Carbon ETC Securities, as amended, supplemented, novated or replaced from time to time in respect of that Series, whether in the Issue Deed or otherwise in accordance with the Conditions.

**“Maturity Postponement Notice”** has the meaning given to it in Condition 8(c)(iii).

**“Maximum Product Fee Percentage”** has the meaning given to it in Condition 4.

**“Member State”** means any one of the signatories of the European Union from time to time.

**“Minimum Debt Principal Amount”** has the meaning given to it in Condition 7(a)(ii).

**“Mirror Custody Account(s)”** means any cash or financial instruments accounts opened by the Issuer with the Custodian in respect of the relevant Series of Carbon ETC Securities. For the avoidance of doubt, the Series Carbon Account and the Series Cash Account are not Mirror Custody Account(s).

**“National Administrator”** means (i) the entity responsible for administering, on behalf of a Member State, a set of user accounts under the jurisdiction of a Member State in the Union Registry as designated in accordance with Article 7 of the Registries Regulation or (ii) the entity identified as an administrator in respect of an LSTL (as defined in Condition 8).

**“Net Sale Proceeds”** has the meaning given to it in Condition 7.

**“NGN”** means a Global Security in new global note form.

**“number”** with respect to (i) a number of Allowance(s) or (ii) a number of Underlying Allowance(s), means a quantity of Allowance(s) or Underlying Allowance(s) (respectively).

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

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

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

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

**“outstanding”** means, in relation to the Carbon ETC Securities and a Scheduled Valuation Day, (i) on the Series Issue Date, the Carbon ETC Securities issued on such date, and (ii) on any Scheduled Valuation Day thereafter, all the Carbon ETC Securities issued on or prior to such Scheduled Valuation Day except (a) those that have been redeemed in accordance with Conditions 7(a), 7(b) or 7(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 Agent and which remain available for payment against presentation and surrender of Carbon 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 either the settlement date for which has not yet been reached or the relevant Authorised Participant(s) has not delivered in full the relevant subscription amount; (f) those that have been purchased, settled and cancelled as provided in Condition 7(e); (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 Carbon ETC Securities are outstanding 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 Carbon ETC Securities have been issued provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many Securities are outstanding for the purposes of the Conditions and the Transaction Documents 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 Carbon 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. For the avoidance of doubt, Carbon ETC Securities (if any) which the Issuer has agreed on or prior to such Scheduled Valuation Day to issue but in respect of which either the settlement date has not been reached or delivery 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 in accordance with the relevant Authorised Participant Agreement shall not be deemed to be “outstanding” on such day.

**“PA Theft Event Notice”** has the meaning given to it in Condition 7(d)(viii).

**“Paying Agent”** means Citibank, N.A., London Branch.

**“Paying Agent Bankruptcy Event”** means the Paying Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, examiner, 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, examiner, 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.

**“Payment Business Day”** means in relation to a payment, a day (other than a Saturday or Sunday) (i) that is a TARGET Settlement Day and on which (ii) the Relevant Clearing System is open.

**“Phase IV Ineligibility Event Notice”** has the meaning given to it in Condition 7(d)(xi).

**“Phase IV Ineligibility Redemption Event”** has the meaning given to it in Condition 7(d)(xi).

**“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 Confirmation Notice”** has the meaning given to it in the relevant Carbon Counterparty Agreement, being a notice delivered by the Carbon Counterparty to the Issuer (with a copy to the Programme Administrator, the Determination Agent, the Trustee, the Custodian and the Carbon Accounts Administrator) pursuant to clause 4.2.4 of the relevant Carbon Counterparty Agreement specifying, *inter alia*, (i) the number of Confirmed Underlying Allowance(s) purchased by the Carbon Counterparty and (ii) the Relevant Underlying Allowance(s) Payment Date, the Relevant Price and the expected Net Sale Proceeds in respect of such Confirmed Underlying Allowance(s).

**“Price Source”** means, in respect of this Series of Carbon ETC Securities and any Reference Rate relating thereto, any screen or other source specified in these Conditions, including in the relevant Final Terms, on which such Reference Rate is expected to be displayed or published, as such screen or source may be replaced or succeeded pursuant to these Conditions.

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

**“Proceedings”** has the meaning given to it in Condition 21(b).

**“Product Fee”** means, in respect of a Series, a reduction to the Allowance(s) Entitlement per Carbon ETC Security and which, as a result of such reduction, operates as a charge on holders of Carbon ETC Securities. The Issuer will periodically offer to sell relevant Product Fee Allowance(s) (the number of Allowance(s) calculated pursuant to the relevant Determination Agent Agreement and relevant Carbon Counterparty Agreement and such number of Allowance(s) subject to rounding in accordance with clause 5.6 (*Rounding*) of the Carbon Counterparty Agreement) to the Carbon Counterparty. The net sale proceeds of such Product Fee Allowance(s) (which shall be net of any deductions that the Carbon Counterparty is entitled to make in accordance with the provisions of the relevant Carbon Counterparty Agreement) shall be paid by the Carbon Counterparty into the Issuer’s Series Cash Account and shall be payable by the Issuer to the Programme Administrator in accordance with the Programme Administrator Agreement. The Programme Administrator Agreement provides that the Programme Administrator will use such net sale proceeds (which funds the Product Fee) in relation to each Series of Carbon ETC Securities to pay on behalf of the Issuer certain costs of the Programme (as set out in the schedule to the Programme Administrator Agreement) (for example the fees, costs and charges of certain Transaction Parties) and the Issuer more generally. The Product Fee for this Series of Carbon ETC Securities will be calculated in accordance with Condition 4 using the Product Fee Percentage and shall accrue on a daily basis and be

applied to the aggregate Allowance(s) Entitlement per Carbon ETC Security of the Series of Carbon ETC Securities on each Valuation Day.

**“Product Fee Allowance(s)”** has the meaning given to it in Condition 4(d).

**“Product Fee Deduction Factor”** has the meaning given to it in Condition 4.

**“Product Fee Percentage”** has the meaning given to it in Condition 4.

**“Programme”** means the Secured Xtrackers (Jersey) ETC PLC Carbon Linked Securities Programme of Xtrackers (Jersey) ETC PLC (as may be renamed at the Issuer’s sole discretion from time to time).

**“Programme Administrator”** means DWSI in its capacity as programme administrator under the Programme and any successor or replacement thereto.

**“Programme Administrator Agreement”** means the programme administrator agreement relating to the Carbon ETC Securities and other similar securities and entered into by the Issuer and the Programme Administrator dated on or about 15 November 2023 as amended, supplemented, novated or replaced from time to time.

**“Programme Administrator Bankruptcy Event”** means the Programme Administrator 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.

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

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

**“Reference Rate”** means, in respect of a Series of Carbon ETC Securities, any index or benchmark by reference to which any amount payable under the Carbon ETC Securities of that Series, or any formula, calculation or determination relating to the Carbon ETC Securities of that Series, is determined, as the same may be replaced or succeeded pursuant to Condition 9.

**“Reference Rate Cessation”** means, in respect of this Series of Carbon ETC Securities:

- (i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate

permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

- (iii) the Programme Administrator otherwise determines that a Reference Rate has ceased to be published on a permanent or indefinite basis and there is no successor administrator that will continue to provide the Reference Rate.

**“Reference Rate Event”** means, for this Series of Carbon ETC Securities, the occurrence of any of the following:

- (i) a Reference Rate Cessation;
- (ii) an Administrator/Benchmark Event; or
- (iii) there is an Allowance(s) Reference Price Source Disruption for more than five consecutive Allowance(s) Business Days.

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

**“Registries Regulation”** means the Commission Delegated Regulation (EU) 2019/1122 of 12 March 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards the functioning of the Union Registry, as amended from time to time.

**“Registry”** means the registry established by the EU in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation and replacement of EUAs, including the Union Registry and the Holding Accounts within the Union Registry that are under the jurisdiction of a single National Administrator designated by a Member State.

**“Registry Agreement”** has the meaning given to it in Condition 8(a).

**“Registry Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business in Luxembourg and in the Carbon Counterparty Business Day Location or, where Allowance(s) are transferred between the Issuer and an Authorised Participant, in Luxembourg, in the Carbon Counterparty Business Day Location and in the AP Business Day Location.

**“Registry Operation”** has the meaning given to it in Condition 8(a).

**“Regulatory Requirement Amendments”**, for a Series, has the meaning given to it in Condition 18.

**“Regulatory Requirement Amendments Certificate”**, for a Series, has the meaning given to it in Condition 18.

**“Regulatory Requirement Event”** means, for a Series, that, as a result of a Relevant Regulatory Law:

- (i) the Carbon ETC Securities or any of the transactions contemplated by the Conditions and the Transaction Documents are not, or will cease to be, compliant with one or more Relevant Regulatory Laws;
- (ii) the Issuer and/or any Transaction Party is not, or will cease to be, compliant with one or more Relevant Regulatory Laws; or
- (iii) the Issuer and/or any Transaction Party is not, or will cease to be, able to continue to transact future business (as issuer of Carbon ETC Securities or as a transaction party to the Issuer pursuant to the Programme) in compliance with all Relevant Regulatory Laws.

**“Relevant Authority”** has the meaning given to it in Condition 8(a).

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



**“Relevant Nominating Body”** means, in respect of a Reference Rate:

- (i) the central bank for the currency in which the Reference Rate is denominated or any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate; or
- (ii) any working group or committee officially endorsed or convened by (a) the central bank for the currency in which the Reference Rate is denominated, (b) any central bank or other supervisor which is responsible for supervising either the Reference Rate or the administrator of the Reference Rate, (c) a group of those central banks or other supervisors or (d) the Financial Stability Board or any part thereof.

**“Relevant Price”** has the meaning given to it in Condition 7.

**“Relevant Provisions”** means:

- (i) with respect to the Determination Agent (or, in the event that the Programme Administrator is using its reasonable efforts to perform the duties and obligations of the Determination Agent on a temporary basis in accordance with the terms of the Programme Administrator Agreement, the Programme Administrator), the provisions of the Determination Agent Agreement, the Transaction Documents and the Conditions;
- (ii) with respect to the Programme Administrator, the provisions of the Programme Administrator Agreement, the Transaction Documents to which it is a party and the Conditions; and
- (iii) with respect to the Issuing Agent, the provisions of the Agency Agreement, the Transaction Documents and the Conditions relating to the relevant Series of Carbon ETC Securities.

**“Relevant Registry”** means the Registry through which a party is obliged to perform a delivery or acceptance obligation under and in accordance with the Conditions.

**“Relevant Regulatory Law”** means, in respect of a Series:

- (i) the Dodd-Frank Act, the Bank Holding Company Act of 1956 and the Federal Reserve Act of 1913 (or similar legislation in other jurisdictions) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (ii) Regulation 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC Derivatives, central counterparties and trade repositories and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (iii) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (iv) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;

- (v) Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (vi) Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (vii) Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (viii) Council Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries and the implementation or adoption of, or any change in, any law, regulation or rule related thereto and any formal or informal technical guidelines and regulatory technical standards, further regulations, official guidance or official rules or procedures with respect thereto;
- (ix) the Financial Services (Jersey) Law 1998, the Companies Law, the Collective Investment Funds (Jersey) Law 1988 and the Control of Borrowing (Jersey) Law 1947 and all orders and regulations relating thereto;
- (x) the implementation or adoption of, or any change in, any applicable law, regulation, rule, guideline, standard or guidance of any jurisdiction (whether within the European Union or not) after the Relevant Regulatory Law Reference Date, and with applicable law, regulation, rule, guideline, standard or guidance for this purpose meaning (a) any similar, related or analogous law, regulation, rule, guideline, standard or guidance to those in paragraphs (i) to (viii) above or any law or regulation that imposes a financial transaction tax or other similar tax or (b) any law, regulation, rule, guideline, standard or guidance of any jurisdiction that is changed or that is implemented as a result of the UK's prospective or actual departure from the European Union;
- (xi) any arrangements or understandings that any Transaction Party or any of its Affiliates may have made or entered into with any regulatory agency with respect to its or any of their legal entity structure or location with regard to (a) any of paragraphs (i) to (ix) above or (b) the UK's prospective or actual departure from the E.U.; or
- (xii) any change in any of the laws, regulations, rules, guidelines, standards or guidance referred to in paragraphs (i) to (ix) above as a result of the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction after the Relevant Regulatory Law Reference Date or as a result of the public or private statement or action by, or response of, any court, tribunal or regulatory authority with competent jurisdiction or any official or representative of any such court, tribunal or regulatory authority acting in an official capacity with respect thereto.

**“Relevant Regulatory Law Reference Date”** means, for a Series, the date specified in the Final Terms.

**“Relevant Stock Exchange”** means each stock exchange on which the Issuer has made an application for this Series of Carbon ETC Securities to be listed and on which they are, at the relevant time, listed.

**“Relevant Underlying Allowance(s) Payment Date”** has the meaning given to it in the relevant Carbon Counterparty Agreement, being a date specified by the Carbon Counterparty in each Price Confirmation Notice relating to a sale and purchase of the relevant Confirmed Underlying Allowance(s), provided such date is a Business Day no later than (i) the 2<sup>nd</sup> Business Day following delivery of the corresponding Price Confirmation Notice and (ii) the Settlement Long-Stop Date, subject further to postponement following the occurrence of a Disruption Event in accordance with Condition 8(d) (*Disruption Events in respect of the sale and purchase of Allowance(s)*).

**“Replacement Details Notice”** has the meaning given to it in Condition 9(b).

**“Replacement Reference Rate”** means, in respect of a Reference Rate:

- (i) where the Reference Rate Event is a Reference Rate Cessation or an Administrator/Benchmark Event, any index, benchmark or other price that is formally designated, nominated or recommended by:
  - (a) any Relevant Nominating Body; or
  - (b) the administrator or sponsor of the Reference Rate (provided that such index, benchmark or other price is substantially the same as the Reference Rate); or

if there is no such designation, nomination or recommendation, or the Programme Administrator reasonably determines that in the context of the Carbon ETC Securities such designation, nomination or recommendation is not a commercially reasonable alternative for the affected Reference Rate, then the Replacement Reference Rate shall be such index, benchmark or other price that the Programme Administrator determines to be a commercially reasonable alternative for the affected Reference Rate; and

- (ii) where the Reference Rate Event is not a Reference Rate Cessation or an Administrator/Benchmark Event, any index, benchmark or other price that is determined by the Programme Administrator to be a commercially reasonable alternative for the affected Reference Rate.

**“Requirements under the Scheme”** has the meaning given to it in Condition 8(a).

**“Scheduled Early Redemption Date”** has the meaning given to it in Condition 7.

**“Scheduled Maturity Date”** is the date specified in the Final Terms and shall be a date no earlier than the 8<sup>th</sup> Business Day following the last day of the Final Redemption Disposal Period, subject to postponement in accordance with Condition 8(c).

**“Scheduled Valuation Day”** means the Series Issue Date and each day thereafter that is a Business Day.

**“Scheme”** means (i) [*To be specified in Final Terms – [●]*] or (ii) in respect of Carbon ETC Securities where the Allowance Type is EUAs, the scheme for transferring EUAs established pursuant to the EU ETS Directive and the Registries Regulation, and as implemented by the national laws of Member States.

**“Secondary Early Redemption Event”** has the meaning given to it in Condition 7(b).

**“Secured Agent Rights”** means (i) the rights and interest of the Issuer in and under the Agency Agreement, the Carbon Counterparty Agreement, the Carbon Accounts Administrator Agreement, the Determination Agent Agreement, the Programme Administrator Agreement, the Custody Agreement (including all of the Issuer’s claims, rights, title, interest and benefit present and future against the Custodian under the Custody Agreement in respect of the relevant Series of Carbon ETC Securities and in respect of the Underlying Allowance(s) relating to such Series of Carbon ETC Securities), each Authorised Participant Agreement, the Administration Services Agreement (in each case, to the extent that it relates to the relevant Series of Carbon ETC Securities) and the rights, title and interest of the Issuer in all property, assets and sums derived from such agreements; (ii) any rights, claims and distributions the Issuer has or will have in relation to any Mirror Custody Account(s), including, for the avoidance of doubt,

other rights held therein or credited thereto and (iii) any other claims, rights, title, interest, benefit 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 each Security Document for that Series and that, in each case, have not been released in accordance therewith. For the avoidance of doubt, Secured Agent Rights shall include the rights of the Issuer in respect of the Series Cash Account in respect of the relevant Series of Carbon ETC Securities.

**“Secured Assets”** means, in respect of a Series, (i) all property, assets and sums held by the Issuer or the Issuing Agent and/or the Carbon Accounts Administrator and all sums held by the Custodian (in each case, on the Issuer’s behalf) in connection with the Carbon ETC Securities of that Series and/or any Transaction Document for that Series (for the avoidance of doubt, not including any general cash account), including the Series Cash Account; (ii) any assets the Issuer has or will have in relation to any Mirror Custody Account(s), including, for the avoidance of doubt, securities, cash and the property held therein or credited thereto 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 each Security Document for that Series and that, in each case, have not been released in accordance therewith.

**“Secured Creditor”** means each person (except for the Carbon Counterparty) that is entitled to the benefit of Secured Issuer Obligations for such Series.

**“Secured Issuer Obligations”** means, in respect of a Series, the obligations and duties of the Issuer under the Trust Deed, each Security Document, each Carbon ETC Security of that Series and each other Transaction Document (in each case to the extent such obligations and duties relate to this Series of Carbon ETC Securities) together with any obligation to pay any other amount by (or on behalf of) the Issuer that is listed in Condition 5(c) (including the introductory paragraph thereto), in each case to the extent such amounts relate to such Series and **“Secured Issuer Obligation”** means any of them.

**“Secured Property”** means the English Law Secured Property, the Jersey Law Secured Property and the Allowance(s) Applicable Secured Property.

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

**“Security”** means the English Law Security, the Jersey Law Security and the Allowance(s) Applicable Security.

**“Security Document”** means, in respect of a Series, the English Law Security Deed or the Jersey Law Security Interest Agreement or the Allowance(s) Security Document for such Series, as the context may require, and **“Security Documents”** shall refer to all of them.

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

**“Seed Authorised Participant”** means the Authorised Participant designated by the Programme Administrator to act in the capacity of authorised participant in respect of the first Tranche of a Series of Carbon ETC Securities, pursuant to the relevant Authorised Participant Agreement.

**“Series”** means, in respect of Carbon ETC Securities, all Carbon ETC Securities having the same ISIN or other securities identifier.

**“Series Carbon Account”** means, in respect of a Series of Carbon ETC Securities, the segregated secured carbon account in relation to that Series of Carbon ETC Securities which is opened by and in the name of the Custodian (on behalf of the Issuer), in the Luxembourg section of the Union Registry (which is held for the benefit of the Issuer and maintained and operated by the Carbon Accounts Administrator by instruction to the Custodian). For the avoidance of doubt, a separate Series Carbon Account shall be opened and maintained in respect of each Series of Carbon ETC Securities and the details of the relevant

Series Carbon Account shall be set out in the Issue Deed in respect of the relevant Series of Carbon ETC Securities.

**“Series Cash Account”** means, in respect of a Series of Carbon ETC Securities, the segregated non-interest bearing cash account(s) located in Jersey in the name of the Issuer in relation to that Series of Carbon ETC Securities.

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

**“Series Overheads”** means, in respect of a Series of Carbon ETC Securities:

- (i) the costs in relation to the printing of any Carbon ETC Securities of such Series, any offering documentation and any other publication or advertising in respect of the Programme (or the relevant portion of such costs in respect of such Series of Carbon ETC Securities, where multiple series have been issued under the Programme) or such Carbon ETC Securities;
- (ii) any legal fees and disbursements relating to such Carbon ETC Securities payable to the legal advisers and other professional advisers in Jersey to the Issuer and/or any other legal advisers and any other professional advisers properly appointed by the Issuer (subject to the prior written approval of the Programme Administrator prior to the occurrence of a Programme Administrator Bankruptcy Event);
- (iii) any legal fees and disbursements relating to such Carbon ETC Securities payable to the legal advisers and other professional advisers to the Programme Administrator and/or any other legal advisers and any other professional advisers properly appointed by the Programme Administrator;
- (iv) any fees payable to any Relevant Stock Exchange in respect of the listing of the Carbon ETC Securities on such Relevant Stock Exchange;
- (v) all annual confirmation statement fees in Jersey from the date hereof until the Issuer is dissolved and its name removed from the Companies Registry of the Jersey Financial Services Commission (or the relevant portion of such fees in respect of such Series of Carbon ETC Securities, where multiple series have been issued under the Programme); and
- (vi) any other fee, cost, tax, charge, expense or disbursement which in the reasonable opinion of the Programme Administrator were properly incurred by the Issuer in relation to the Programme (or the relevant portion of such fees costs, taxes, charges, expenses or disbursements in respect of such Series of Carbon ETC Securities, where multiple series have been issued under the Programme) or in relation to the issue of the Carbon ETC Securities, in each case, which is not to be reimbursed by any other person.

**“Settlement Disruption Event”** has the meaning given to it in Condition 8(a).

**“Settlement Long-Stop Date”** means the 2<sup>nd</sup> Business Day following the last day of the relevant Redemption Disposal Period.

**“Specified Currency”** means, in relation to the relevant Series of Carbon ETC Securities, the euro.

**“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 17.

**“Subscription Order”** means a request from an Authorised Participant for the Issuer to issue and sell to it Carbon ETC Securities in the number specified in such request, delivered in accordance with the relevant Authorised Participant Agreement.

**“Subscription Settlement Amount”** means, in respect of a subscription for Carbon ETC Securities and the related Subscription Settlement Date, a number of Allowance(s) validated by the Issuing Agent as being equal to the product of (i) the Allowance(s) Entitlement per Carbon ETC Security in respect of the relevant Subscription Trade Date and (ii) the aggregate number of Carbon ETC Securities to be issued pursuant to such Subscription Order, such total rounded up to the nearest whole number.

**“Subscription Settlement Date”** means, subject to the relevant Authorised Participant Agreement, such date after the Subscription Trade Date as separately agreed between the Issuer, the relevant Authorised Participant, the Programme Administrator and the Issuing Agent.

**“Subscription Trade Date”** means, subject to the relevant Authorised Participant Agreement, a Business Day on which a Subscription Order delivered by the relevant Authorised Participant is determined to be valid and accepted by the Issuing Agent on behalf of the Issuer in accordance with the terms of the relevant Authorised Participant Agreement.

**“Subsequent Agreement”** has the meaning given to it in the relevant Carbon Counterparty Agreement, being where the Issuer, the Programme Administrator, the Carbon Counterparty and the Carbon Accounts Administrator agree that the relevant Product Fee Allowance(s) can still be sold by the Issuer and purchased by the Carbon Counterparty on the relevant date where a Disruption Event is subsisting such that the relevant day is not a Valuation Day.

**“Substituted Obligor”** has the meaning given to it in Condition 14(c).

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

**“Successor Reference Rate”** has the meaning given to it in Condition 9(a).

**“Suspension Event”** means in respect of a Series, that (i) the Issuer has delivered a notice in writing to the Determination Agent, the Issuing Agent and each Authorised Participant (copied to each other Transaction Party) stating that with effect from the date specified in such notice, subscriptions of the Carbon ETC Securities of such Series shall be suspended; and (ii) the effective date of such suspension has occurred, provided that the effective date of any such suspension so specified shall be a day not earlier than the Business Day following the date of such notice.

**“T2”** means the real time gross settlement system operated by the Eurosystem, or any successor system.

**“TARGET Settlement Day”** means any day on which T2 is open for the settlement of payments in euro.

**“Tax”** means any present or future tax, duty, assessment or charge in the nature of tax (including, without limitation, any tax on income, profits, gains, net wealth, asset values or turnover, VAT, UK VAT, Jersey GST, 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.

**“Termination Event Redemption Event”** has the meaning given to it in Condition 7(d)(vi).

**“Termination Event Redemption Notice”** has the meaning given to it in Condition 7(d)(vi).

**“Theft Redemption Event”** has the meaning given to it in Condition 7(d)(viii).

**“Theft Redemption Event Notice”** has the meaning given to it in Condition 7(d)(viii).

**“Tranche”** means, in relation to Carbon ETC Securities of a Series, the Carbon ETC Securities of that Series that are issued on the same Tranche Issue Date at the same Issue Price per Carbon ETC Security and that have the same ISIN or other securities identifier.

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

**“Transaction Document”** means, in respect of a Series, each of the Issue Deed, the Trust Deed, each Security Document, the Administration Services Agreement, the Agency Agreement, the Determination Agent Agreement, the Programme Administrator Agreement, the Carbon Accounts Administrator Agreement, the Carbon Counterparty Agreement, the Custody Agreement and each Authorised Participant Agreement in each case as amended, supplemented, novated and/or replaced from time to time, and in each case only to the extent that it relates to Carbon ETC Securities of this Series, and **“Transaction Documents”** means all such documents.

**“Transaction Party”** means a party to a Transaction Document (other than the Issuer) save that where the Conditions require notification to each Transaction Party this shall not include any Authorised Participant.

**“Trust Deed”** means, in respect of a Series, the trust deed relating to such Series of Carbon 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 Apex Corporate Trustees (UK) Limited and any successor or replacement thereto.

**“Trustee Bankruptcy Event”** means the Trustee 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 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 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.

**“UK VAT”** means any value added tax imposed by the UK Value Added Tax Act 1994.

**“Underlying Allowance(s)”** means all Allowance(s) recorded and identified in the relevant Series Carbon Account in respect of a relevant Series of Carbon ETC Securities which for the avoidance of doubt, shall include any Allowance(s) recorded and identified in the relevant Series Carbon Account in respect of a relevant Series of Carbon ETC Securities prior to the issuance and settlement of the corresponding Carbon ETC Securities in respect of such Series.

**“Union Registry”** means the registry referred to as the “Community registry” in Article 19(1) of the EU ETS Directive.

**“Valuation Day”** means each Scheduled Valuation Day other than a Scheduled Valuation Day on which any of the below is satisfied:

- (i) a Disruption Event Notice has been delivered on such date pursuant to an Allowance(s) Reference Price Source Disruption;
- (ii) a Disruption Event Notice has been delivered on such date pursuant to a Force Majeure Disruption Event; or
- (iii) a Disruption Event Notice has been delivered on such date pursuant to an Emissions Disruption Event.

**“Value per Carbon ETC Security”** has the meaning given to it in Condition 4(c).

**“Value per Carbon ETC Security Threshold Level”** has the meaning given to it in Condition 7(d)(iii)

“**Value per Carbon ETC Security Threshold Level Notice**” has the meaning given to it in Condition 7(d)(iii).

“**Value per Carbon ETC Security Threshold Redemption Event**” has the meaning given to it in Condition 7(d)(iii).

“**VAT**” means, within the European Union, value added tax chargeable in accordance with (but subject to derogations from) Council Directive 2006/112/EC and any other tax of a similar fiscal nature and any similar tax charged from time to time in substitution for or in addition to any of the above (excluding UK VAT and Jersey GST).

“**VAT Redemption Event**” has the meaning given to it in Condition 7(d)(v).

“**VAT Redemption Event Notice**” has the meaning given to it in Condition 7(d)(v).

“**Weekday**” means each of Monday, Tuesday, Wednesday, Thursday and Friday.

## 2 Form and Title

The [*Full description of the Carbon ETC Securities to be specified in Final Terms*] (and, for the avoidance of doubt, includes all Tranches of such Series whenever issued) (the “**Carbon ETC Securities**”) are issued in bearer form. The Carbon ETC Securities will be represented by a Global Security in [*To be specified in Final Terms – [NGN][CGN]*] form and will be capable of being held via the Relevant Clearing System(s). The Global Security will not be exchangeable for individual definitive bearer securities.

Title to the Global Security shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Carbon 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.

Each of the persons shown in the records of the Relevant Clearing System as the holder of a Carbon ETC Security represented by a Global Security must look solely to such Relevant Clearing System for their share of each payment made by the Issuer to the bearer of such Global Security, and in relation to all other rights arising under the Global Securities, subject to and in accordance with the respective rules and procedures of such Relevant Clearing System. Such persons shall have no claim directly against the Issuer in respect of payments due on the Carbon ETC Securities or so long as the Carbon ETC Securities are represented by such Global Security, and such obligations of the Issuer will be discharged by payment to the bearer of such Global Security, in respect of each amount so paid.

## 3 Constitution and Status

This Series of Carbon ETC Securities is constituted by the Trust Deed for this Series and secured by each Security Document for this Series. The Carbon 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 5 and recourse in respect of which is limited in the manner described in Condition 5(g) and Condition 13. The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed for this Series and are deemed to have notice of those provisions applicable to them of the Agency Agreement and each Security Document in respect of this Series.

A minimum subscription amount of EUR 100,000 (or fiat currency equivalent) shall apply in respect of a purchaser for each Tranche of Carbon ETC Securities and Carbon ETC Securities issued under the Programme shall have an initial Issue Price per Carbon ETC Security as at the Series Issue Date in excess of EUR 1,000.



#### 4 Allowance(s) Entitlement per Carbon ETC Security and Value per Carbon ETC Security

For the purposes of this Condition 4, the following terms have the meanings as set out below:

**“Allowance(s) Reference Price”** means, in respect of a Scheduled Valuation Day, the end of day price determined by the Determination Agent (and notified by the Determination Agent to the Issuer, the Carbon Counterparty and the Programme Administrator) by reference to the Allowance(s) Reference Price Source.

**“Allowance(s) Reference Price Source”** means, in respect of Carbon ETC Securities where the Allowance Type is EUAs, EEX EUA Spot (which is provided by EEX or such successor or replacement who administers EEX EUA Spot, and published on <https://www.eex.com/en/market-data/environmentals/spot> from time to time).

**“Day Count Fraction”** means, in respect of a Valuation Day, an amount equal to:

- (i) the number of calendar days from (and including) the immediately preceding Valuation Day to (but excluding) the relevant Valuation Day; divided by
- (ii) 360.

**“EEX”** means European Energy Exchange AG.

**“EEX Trading Day”** means a day (other than a Saturday or Sunday) on which the EEX is open for general business.

**“Maximum Product Fee Percentage”** has the meaning given to it in the Final Terms.

**“Product Fee Deduction Factor”** is an amount calculated by the Determination Agent equal to:

- (i) one; minus
- (ii) the Product Fee Percentage multiplied by the Day Count Fraction.

**“Product Fee Percentage”** means the Maximum Product Fee Percentage specified in the Final Terms, or such lower percentage as may be determined by the Programme Administrator and notified to the Issuer, the Transaction Parties and the Securityholders from time to time, provided that the Issuer shall procure (and the Programme Administrator has agreed) that Securityholders shall be given not less than 30 calendar days' prior notice in accordance with Condition 17 of any increase to the Product Fee Percentage. If the scheduled day notified for any change to the Product Fee Percentage is not a Valuation Day, the change to the Product Fee Percentage shall take effect on the first following 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.etf.dws.com](http://www.etf.dws.com) (or such other website as may be notified to Securityholders in accordance with Condition 17 from time to time). For information purposes, the Product Fee Percentage as at the relevant Tranche Issue Date shall be specified in the Final Terms of that Tranche.

(a) ***Determination of Allowance(s) Entitlement per Carbon ETC Security and Value per Carbon ETC Security***

The Determination Agent shall calculate the Allowance(s) Entitlement per Carbon ETC Security and the Value per Carbon ETC Security in respect of each Valuation Day.

(b) **Allowance(s) Entitlement per Carbon ETC Security**

The “**Allowance(s) Entitlement per Carbon ETC Security**” in respect of a Valuation Day shall be an amount per Carbon ETC Security determined by the Determination Agent as follows:

- (i) if the Valuation Day is the Series Issue Date, the Allowance(s) Entitlement per Carbon ETC Security in respect of the Series Issue Date shall be equal to the Initial Allowance(s) Entitlement per Carbon ETC Security; and
- (ii) in relation to any other Valuation Day, the Allowance(s) Entitlement per Carbon ETC Security in respect of such Valuation Day shall be an amount calculated by the Determination Agent equal to:
  - (A) the Allowance(s) Entitlement per Carbon ETC Security in respect of the immediately preceding Valuation Day; multiplied by
  - (B) the Product Fee Deduction Factor.

For illustration purposes only, a formulaic expression of the determination of Allowance(s) Entitlement per Carbon ETC Security is set out below:

$$E_t = E_{t-1} \times (1 - [PFP_t \times YF_t])$$

Where:

“**E**” means, in respect of a Valuation Day (t), the Allowance(s) Entitlement per Carbon ETC Security in respect of that Valuation Day;

“**PFP**” means, in respect of a Valuation Day (t), the Product Fee Percentage for that Valuation Day; and

“**YF**” or “**Yield Factor**” means, in respect of a Valuation Day (t), an amount equal to:

- (i) the number of calendar days from (but excluding) the immediately preceding Valuation Day to (and including) that Valuation Day; divided by
- (ii) 360.

(c) **Value per Carbon ETC Security**

The “**Value per Carbon ETC Security**” in respect of a Valuation Day shall be an amount per Carbon ETC Security expressed in the Specified Currency and determined by the Determination Agent as being equal to:

- (i) the Allowance(s) Entitlement per Carbon ETC Security in respect of the relevant Valuation Day; multiplied by
- (ii) the Allowance(s) Reference Price in respect of the relevant Valuation Day.

The Issue Price per Carbon ETC Security in respect of a Tranche of the Carbon ETC Securities of that Series issued after the Series Issue Date shall be equal to the Value per Carbon ETC Security as of the relevant Tranche Issue Date.

For illustration purposes only, a formulaic expression of the determination of Value per Carbon ETC Security is set out below:

$$VpS_t = E_t \times M_t$$

Where:

“**Vps**” means, in respect of a Valuation Day, the Value per Carbon ETC Security in respect of that Valuation Day;

“**E**” means, in respect of a Valuation Day (t), Allowance(s) Entitlement per Carbon ETC Security in respect of that Valuation Day; and

“**M**” means, in respect of a Valuation Day (t), the relevant Allowance(s) Reference Price on that Valuation Day.

(d) **Rounding**

The Allowance(s) Entitlement per Carbon ETC Security and the Value per Carbon ETC Security and any term, value, formula or other input (direct or indirect) necessary to determine the Allowance(s) Entitlement per Carbon ETC Security or the Value per Carbon ETC Security may be rounded to such number of decimal places as may be provided for by the Programme Administrator and such methodology may be adjusted from time to time provided that the Programme Administrator reasonably determines, in its opinion, that such change of methodology would not be materially prejudicial to Securityholders.

The number of Allowance(s) which are sold for the purposes of satisfying the relevant product fee (such number determined by the Determination Agent pursuant to the Determination Agent Agreement, the “**Product Fee Allowance(s)**”) may be rounded on such rounding basis as may be agreed between the Determination Agent and the Programme Administrator from time to time, in accordance with clause 5.6 (*Rounding*) of the Carbon Counterparty Agreement. Any Carry-Over Product Fee Allowance(s) are, without double-counting, added and included in the Product Fee Allowance(s). The difference in sale proceeds between the number of Product Fee Allowance(s) calculated on such rounded basis and the number of Product Fee Allowance(s) that would have applied had such rounding basis not applied is carried forward and taken into account in the calculation for Product Fee Allowance(s) in respect of the next relevant date for sale of Product Fee Allowance(s).

(e) **Corrections**

If, following the determination of the Allowance(s) Entitlement per Carbon ETC Security and the Value per Carbon ETC Security in respect of any Valuation Day, the Programme Administrator subsequently determines or it comes to its attention that such value was incorrectly determined, the Issuer may adjust any relevant terms of the Carbon ETC Securities to account for a correction thereof but provided that, whilst it may do so in its discretion, the Issuer shall not be required to make any such correction where it determines that such correction would not result in a material change to the Allowance(s) Entitlement per Carbon ETC Security or Value per Carbon ETC Security. The Issuer shall give notice to Securityholders of any such adjustments made pursuant to this Condition 4(e) as soon as reasonably practicable in accordance with Condition 17.

(f) **Sale and Purchase of Product Fee Allowance(s)**

(i) Sales and purchases of Product Fee Allowance(s) by the Issuer to the Carbon Counterparty will take place on the 1<sup>st</sup> day of each month (or such other day as may be agreed between the Programme Administrator and the Carbon Counterparty), save that if such day is not a Valuation Day, such sale and purchase shall, subject to a Subsequent Agreement pursuant to clause 5.7.1(ii) (*No Purchases of Product Fee Allowance(s) on a Disrupted Day*) of the relevant Carbon Counterparty Agreement, take place on the next following Valuation Day. Any such sale and purchase shall be effected in accordance with the relevant Carbon Counterparty Agreement including, *inter alia*, in respect of any volume threshold requirement(s) agreed between the Programme Administrator and the Carbon Counterparty

from time to time, the relevant price for such Product Fee Allowance(s), the fees, taxes and expenses the Carbon Counterparty may deduct, any postponement in the settlement of the sale and purchase of such Product Fee Allowance(s) due to the occurrence of Disruption Events and/or the occurrence of other events (including certain early redemption events) specified and agreed pursuant to clause 5.7.4 (*No obligation to accept offer of sale or purchase in certain circumstances*) of the relevant Carbon Counterparty Agreement (including, *inter alia*, a Carbon CP Illegality Event notified by the Carbon Counterparty) affecting or preventing the offer, sale and purchase and settlement of Product Fee Allowance(s).

- (ii) Pursuant to the terms of each Security Document (including, without limitation, clause 2.2 (*Secured Property as continuing Security*) of the relevant English Law Security Deed), clause 2.2 (*Secured Property as continuing Security*) of the relevant Jersey Law Security Interest Agreement and clause 2.2 (*Secured Property as continuing Security*) of the relevant Luxembourg Law Pledge Agreement), the Security described in Condition 5(a) shall automatically be released without further action on the part of the Trustee to the extent necessary to effect each sale of the relevant number of Product Fee Allowance(s) (such release taking place at the time of delivery of such Product Fee Allowance(s) by the Custodian on the corresponding settlement date, following receipt of the corresponding net sale proceeds for such Product Fee Allowance(s) by the Issuer in accordance with the relevant Carbon Counterparty Agreement); provided that nothing in this Condition 4(f)(ii) shall operate to release the charges and other security interests over the proceeds of each sale of such Product Fee Allowance(s) (including any Carry-Over Product Fee Allowance(s)).

## 5 Security

### (a) Security

- (i) The Secured Issuer Obligations are secured in favour of the Trustee for the benefit of itself and as trustee for the other Secured Creditors, pursuant to the Security Documents in respect of the relevant Series of Carbon ETC Securities, by:

#### *Luxembourg law security*

- (A) a first ranking right of pledge under Luxembourg law over: (a) all of the Issuer's claim, rights, title, interest and benefit (including all income, payments, proceeds, revenues, products, property, sum received, receivable or otherwise distributed) present and future against the Custodian under the Custody Agreement in respect of the relevant Series of Carbon ETC Securities and (b) any present and future assets, rights, claims and distributions (including all income, payments, interest, proceeds, revenues, title, benefits, products, property, sum received, receivable or otherwise distributed) the Issuer has or will have in relation to any cash or financial instruments accounts opened by the Issuer with the Custodian in respect of the relevant Series of Carbon ETC Securities, including, for the avoidance of doubt, securities (including any securities and similar instruments (i) credited, by way of book entry (*inscription en compte*), or as otherwise deposited or held, in each case without specification of numbers or other individual identification elements, on a fungible basis or (ii) otherwise registered and/or referenced and/or referred to in the account or the Custodian's books and/or held in any other manner by the Custodian for the account of the Issuer on a contractual basis or otherwise (including as a nominee)), cash and other rights and the property held therein or credited thereto;

*Jersey law security*

- (B) a first priority security interest under Jersey law over present and future:
- (i) Series Cash Account(s);
  - (ii) all rights, title and interest of the Issuer in or pursuant to the Administration Services Agreement, to the extent such rights, title and interest relate (directly or indirectly) to the Series Cash Account(s) of the relevant Series (the “**Administration Services Agreement Rights**”); and
  - (iii) any proceeds (as defined in the Security Interests (Jersey) Law 2012) derived directly or indirectly from a dealing with the Series Cash Account(s) or the Administration Services Agreement Rights or from a dealing with the proceeds of the Series Cash Account(s) or the Administration Services Agreement Rights,
- in each case, to the extent that it relates to the relevant Series of Carbon ETC Securities; and

*English law security*

- (C) an assignment by way of security of all of the Issuer’s rights (but not obligations), title, interest and benefit present and future in, to and under the Carbon Counterparty Agreement, the Agency Agreement, the Determination Agent Agreement, the Carbon Accounts Administrator Agreement, the Programme Administrator Agreement and any Authorised Participant Agreement (including any Authorised Participant Agreement entered into after the Series Issue Date or a Tranche Issue Date in respect of a Series), but in each case only to the extent that it relates to the relevant Series of Carbon ETC Securities.
- (ii) The Security is granted to the Trustee for the benefit of itself and as trustee for the other Secured Creditors as continuing security for the Secured Issuer Obligations relating to the relevant Series of Carbon ETC Securities. In accordance with each Security Document, prior to any enforcement of the Security, the Trustee shall be deemed to release from such Security without the need for any action, notice or other formalities (without double-counting):
- (A) any sum (including Series Overheads) and/or Allowance(s) held by the Issuer (including any Allowance(s) held by the Custodian on the Issuer’s behalf, which shall be construed to include the Issuer’s rights over any such Allowance(s)), any Paying Agent or any person, as applicable, to the extent such sums or Allowance(s) (as applicable) are required for, and at the time of, payment of any sum or delivery of any Allowance(s) (as applicable) in respect of the relevant Series of Carbon ETC Securities and/or under the Transaction Documents (which for the avoidance of doubt shall include, without limitation, amounts payable (including in respect of Principal) to Securityholders in accordance with these Conditions, the relevant Product Fee Allowance(s) (including any Carry-Over Product Fee Allowance(s)) and Allowance(s) which the Issuer is required to deliver to the Carbon Counterparty pursuant to the Carbon Counterparty Agreement, the relevant Allowance(s) which the Issuer is required to deliver to Authorised Participants in respect of any buy-back or cancellation of a subscription order or settlement failure and any net sale proceeds of Product Fee Allowance(s) (which fund the Product Fee) payable by the Issuer to the Programme Administrator pursuant to the Programme Administrator Agreement in respect of the relevant Series of Carbon ETC Securities) and, upon certification by the Programme Administrator from time to time that there are sums standing to the credit of the Series Cash Account that are in excess (as reasonably determined by the Programme

Administrator) of what the Issuer requires at that time to meet (I) the Series Overheads and (II) (without double-counting) any fees, costs and expenses payable by (or on behalf of) the Issuer in relation to Carbon ETC Securities of such Series to the Trustee, Agents (other than the Carbon Counterparty), Carbon Accounts Administrator, Programme Administrator (including, for the avoidance of doubt, the fees payable to the Programme Administrator pursuant to clause 4.1 (*Product Fees*) of the Programme Administrator Agreement), Corporate Services Provider or any other Transaction Party pursuant to, or in connection with, the Transaction Documents in relation to any Carbon ETC Securities, but excluding any expenses payable to the Corporate Services Provider under the fee side letter between the Programme Administrator, the Issuer and the Corporate Services Provider dated on or about 15 November 2023 in respect of excess liquidation costs, in each case, of that Series of Carbon ETC Securities as they stand at such time, such excess sums shall be released from the Series Cash Account, and thereby from the Security, to such other cash account of the Issuer as may be nominated or directed by the Issuer (which other cash account shall not form part of the assets to which the relevant Series of Carbon ETC Securities has recourse);

- (B) any part of the Secured Property that has become payable or deliverable only to the extent required to comply with and subject to the provisions of Conditions 5(d) (*Sale and Purchase of Underlying Allowance(s) following an Early Redemption Valuation Date or Final Redemption Valuation Date*), 5(g) (*Limited Recourse and Shortfall after Application of Proceeds*) and 5(h) (*Issuer's Rights as Beneficial Owner of Secured Property*), and with such release taking place at the time of such due payment or delivery;
- (C) its rights in relation to any Authorised Participant Agreement only to the extent required to assign any benefit to the Programme Administrator if the Programme Administrator has made payment and/or delivery to or to the order or for the benefit of the Issuer of payments and/or deliveries that an Authorised Participant was required but has failed to make, and with such release taking place at the time of such assignment;
- (D) a *pro rata* amount of the Secured Property as required and selected for, and at the time of, the purchase and cancellation of any Carbon ETC Securities by the Issuer; and
- (E) in respect of any Allowance(s) which have been transferred to the Series Carbon Account following which the related Carbon ETC Securities in respect of such Allowance(s) fail to settle on or before the 5th Business Day following the Original Series Issue Date (as defined in the relevant Authorised Participant Agreement and in respect of an initial issuance of a Series of Carbon ETC Securities) or original Subscription Settlement Date (in respect of any subsequent Tranche of the Carbon ETC Securities issued after the Series Issue Date in respect of a Series) (as applicable and as defined in, and in accordance with, the relevant Authorised Participant Agreement) due to a failure by the Issuer to cause the relevant Carbon ETC Securities to be issued and settled or due to a failure by the relevant Authorised Participant to deliver the Subscription Settlement Amount in full, any part of the Secured Property relating to such Allowance(s) that has become re-deliverable to the corresponding Seed Authorised Participant or Authorised Participant (as applicable and as defined in the relevant Authorised Participant Agreement) following cancellation of the corresponding subscription order, with such release taking place at the time of such due delivery.

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

(i) *Issuer covenant to pay or deliver*

Pursuant to the terms of the Trust Deed, the Issuer agrees, on any date on which a payment of Principal (or any other amount) payable and/or assets deliverable in respect of any Carbon ETC Securities of the Series becomes due in accordance with these Conditions, unconditionally to pay (or procure to be paid) or deliver (or procure to be delivered), as applicable, to or to the order of the Trustee (A) in the Specified Currency and in same day funds in a city in which banks have access to T2, in accordance with the relevant Trust Deed, the Final Redemption Amount or Early Redemption Amount or such other amount and/or (B) the assets deliverable, as applicable, in respect of the Carbon ETC Securities which is due and payable or deliverable (as applicable) on that date.

Notwithstanding anything to the contrary in these Conditions or the Trust Deed, (1) payment of Principal or any other amount (as applicable) due under the Carbon ETC Securities pursuant to the Conditions made to the relevant Paying Agent in accordance with the terms of the relevant Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of the relevant amount in respect of the Carbon ETC Securities to the Trustee for the account of the Securityholders except to the extent that there is failure by such 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 or any other amount made after the due date for such payment or as a result of the Carbon ETC Securities becoming repayable following an Event of Default or the occurrence of any other Early Redemption Event shall be deemed to have been made when the full amount due has been received by a relevant 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 such 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) *Application of proceeds prior to sale and prior to enforcement*

Save for any moneys and/or assets received in connection with the sale or enforcement of all or part of the Security relating to the relevant Series of Carbon ETC Securities constituted by or pursuant to the relevant Security Documents, all moneys and/or assets received by or on behalf of the Trustee in relation to the Issuer's covenant to pay Principal or any other amount payable in respect of that Series pursuant to Condition 5(b)(i) (*Issuer covenant to pay or deliver*) shall, 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 19(jj) (*Accumulation of Moneys*) and 19(kk) (*Investment*):

(A) first, to the extent not already paid to the Trustee on behalf of the Issuer by the Programme Administrator pursuant to the costs arrangements set out in clause 4.1 (*Product Fees*) of the Programme Administrator Agreement, 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 Documents and/or the Trust Deed and/or any other Transaction Document (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 Documents and/or the other Transaction Documents and the Trustee's remuneration (other than any income, corporation or similar tax in respect of the Trustee's remuneration);

(B) secondly, in payment or satisfaction of any amounts owing to the holders of Carbon ETC Securities of the relevant Series of Carbon ETC Securities *pari passu* and rateably; and

(C) thirdly, in payment or delivery of any balance to the Issuer for itself.

If the Trustee holds any moneys and/or assets in respect of the relevant Series of Carbon 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 each Security Document, subject to Condition 5(d)(ii) (*Application of Proceeds Prior to Enforcement*), and Conditions 19(jj) and 19(kk), the Trustee shall apply the proceeds derived from the realisation of the Secured Property by way of enforcement (including any net sale proceeds from any transaction(s) entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice (as defined in the relevant Carbon Counterparty Agreement) was delivered on or prior to the date the Enforcement Notice was given, such transaction(s) to be settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement) and after taking account of any Taxes incurred, withheld or deducted by or on behalf of the Issuer as follows (without double-counting):

- (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 Documents and/or the Trust Deed and/or any other Transaction Document (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 Documents and/or the other Transaction Documents, the costs of enforcing or realising all or some of the Security and the Trustee's remuneration (other than any income, corporation or similar tax in respect of the Trustee's remuneration));
- (ii) secondly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of the Carbon ETC Securities;
- (iii) thirdly, in payment of any amounts owing to any Paying Agent for reimbursement in respect of proper payment of Principal made to the relevant holders of Carbon ETC Securities;
- (iv) fourthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing Agent and any other Paying Agent(s) pursuant to the Agency Agreement, (II) the Determination Agent and the Programme Administrator pursuant to the Determination Agent Agreement and Programme Administrator Agreement (including, for the avoidance of doubt, the fees payable to the Programme Administrator pursuant to Clause 4.1 (*Product Fees*) of the Programme Administrator Agreement), respectively, (III) any Authorised Participant under an Authorised Participant Agreement, (IV) the Corporate Services Provider pursuant to the Administration Services Agreement, (V) the Carbon Accounts Administrator pursuant to the Carbon Accounts Administrator Agreement and/or the Custody Agreement and (VI) the Custodian pursuant to the Custody Agreement, in each case to the extent they relate to the relevant Series of Carbon ETC Securities and where such fees, expenses or other amounts are payable by (or on behalf of) the Issuer in relation to such Series, but excluding any expenses payable to the Corporate Services Provider under the fee side letter between the Programme Administrator, the Issuer and the Corporate Services Provider dated on or about 15 November 2023 in respect of excess liquidation costs;
- (v) fifthly, in payment of any amounts owing to the Securityholders by the Issuer *pari passu* and rateably; and



(vi) sixthly, in payment of the balance (if any) to the Issuer.

(d) **Sale and Purchase of Underlying Allowance(s) following an Early Redemption Valuation Date or Final Redemption Valuation Date**

(i) *Sale and Purchase of Underlying Allowance(s)*

- (A) Following receipt of notice of the Early Redemption Valuation Date or the Final Redemption Valuation Date (such dates subject to postponement pursuant to Condition 8(c) (*Postponement of Final Redemption Valuation Date or Early Redemption Valuation Date and Payment of Final Redemption Amount or Early Redemption Amount*)), the Determination Agent shall, pursuant to clause 2.4.8 of the relevant Determination Agent Agreement and on a day prior to the first day of the related Redemption Disposal Period and by the time separately agreed between the Programme Administrator, the Determination Agent and the Carbon Counterparty, notify the Issuer (copied to the Programme Administrator) of the Allowance(s) Sale Request Details. Following receipt of such notice containing the Allowance(s) Sale Request Details, the Issuer shall, on the same day, deliver an Allowance(s) Sale Request Notice containing the Allowance(s) Sale Request Details to the Carbon Counterparty (with a copy to the Determination Agent and the Programme Administrator) by the time separately agreed between the Programme Administrator, the Issuer and the Carbon Counterparty, notifying the Carbon Counterparty that the Issuer wishes to sell the relevant Underlying Allowance(s) to the Carbon Counterparty. Subject to Condition 8(d)(i) (*No obligation to accept offer of sale in certain circumstances*), the Carbon Counterparty shall immediately accept such offer of a sale of Allowance(s) from the Issuer on the day it receives the corresponding Allowance(s) Sale Request Notice.
- (B) Subject to Condition 8(d) (*Disruption Events in respect of the sale and purchase of Allowance(s)*) and following the Carbon Counterparty's acceptance of an offer of a sale of Allowance(s) from the Issuer, the Carbon Counterparty shall purchase the relevant Underlying Allowance(s) relating to the corresponding Allowance(s) Sale Request Notice from the Issuer on any Business Day during the Redemption Disposal Period and may do so in one transaction or in multiple transactions, provided that the Carbon Counterparty purchases all Underlying Allowance(s) specified in the Allowance(s) Sale Request Notice (which is accepted by it) by the end of the last day of the Redemption Disposal Period. The Carbon Counterparty shall, as soon as reasonably practicable by 12pm (London time) on each Business Day that any Underlying Allowance(s) are sold by the Issuer and purchased by the Carbon Counterparty during the Redemption Disposal Period, deliver a Price Confirmation Notice to the Issuer.
- (C) Subject to Condition 8(d) (*Disruption Events in respect of the sale and purchase of Allowance(s)*), settlement of the relevant Confirmed Underlying Allowance(s) relating to each corresponding Price Confirmation Notice shall occur on a delivery free of payment basis by (I) transfer of the relevant number of Confirmed Underlying Allowance(s) (such transfer procured by the Carbon Accounts Administrator on behalf of the Issuer) to the Carbon Counterparty's specified carbon account on the date the Price Confirmation Notice is received by the Carbon Accounts Administrator and (II) following receipt of the relevant number of Confirmed Underlying Allowance(s), immediate payment of the Net Sale Proceeds for such Confirmed Underlying Allowance(s) by the Carbon Counterparty into the Issuer's Series Cash Account such that the relevant Net Sale Proceeds are received by the Issuer on or prior to 6pm (London time) on the specified Relevant Underlying Allowance(s) Payment Date, in

accordance with clause 4.2.5 (*Settlement*) of the relevant Carbon Counterparty Agreement.

In respect of a settlement, if the transfer of the relevant number of Confirmed Underlying Allowance(s) from the Series Carbon Account to the Carbon Counterparty's specified carbon account fails, the consequences set out in Condition 8(d)(iii) (*No Settlement of Underlying Allowance(s) on a Disrupted Day*) relating to a Disruption Event (which, for the avoidance of doubt, includes a Failure to Deliver) shall apply.

In respect of a settlement, if the relevant number of Confirmed Underlying Allowance(s) have been transferred to the Carbon Counterparty's specified carbon account but the Carbon Counterparty fails to transfer the corresponding relevant Net Sale Proceeds to the Issuer in accordance with clause 4.2.5 (*Settlement*) of the relevant Carbon Counterparty Agreement for any reason, (x) the Carbon Counterparty shall return to the Issuer the same number of Confirmed Underlying Allowance(s) that have been transferred to it in respect of such transaction by no later than 6pm (London time) on the Business Day following the Relevant Underlying Allowance(s) Payment Date and (y) the Programme Administrator, the Issuer and the Carbon Counterparty shall discuss (and shall notify the Carbon Accounts Administrator and the Custodian accordingly) with the aim of attempting re-settlement of such sale and purchase transaction on the terms agreed at such time (provided that payment in respect of such transaction settles on or prior to the Settlement Long-Stop Date). If (I) the Programme Administrator, the Issuer and the Carbon Counterparty fail to agree on the terms of re-settlement or (II) payment in respect of such transaction fails (or will fail) to settle on or prior to the Settlement Long-Stop Date or (III) the Carbon Counterparty fails to return to the Issuer the relevant number of Confirmed Underlying Allowance(s) by 6pm (London time) on the Business Day following the Relevant Underlying Allowance(s) Payment Date for any reason (including due to the occurrence of a Disruption Event affecting such re-delivery) (in each case, a "**Carbon Counterparty FTP Consequence**"), an Enforcement Event shall occur. For the avoidance of doubt, any Allowance(s) which the Carbon Counterparty does transfer back to the Series Carbon Account pursuant to this paragraph shall form part of the Security again until any subsequent release.

- (D) For the purposes of settling a sale and purchase of Confirmed Underlying Allowance(s), the Carbon Accounts Administrator shall, following receipt of a Price Confirmation Notice and without further authorisation or direction from the Issuer or any other party procure (on the Issuer's behalf) delivery of the relevant number of Confirmed Underlying Allowance(s) from the Series Carbon Account to the Carbon Counterparty on the date the Price Confirmation Notice is received by the Carbon Accounts Administrator (provided that the relevant number of Allowance(s) to be transferred does not exceed the aggregate outstanding number of Allowance(s) held in the relevant Series Carbon Account).
- (E) Pursuant to the terms of each Security Document, the Security described in Condition 5(a) shall automatically be released without further action on the part of the Trustee only to the extent necessary to effect each sale of the relevant number of Confirmed Underlying Allowance(s) during the Redemption Disposal Period (such release taking place at the time of delivery of such Confirmed Underlying Allowance(s) by the Custodian, on the date the Price Confirmation Notice is received by the Carbon Accounts Administrator); provided that nothing in this Condition 5(d) shall operate to

release the charges and other security interests over the proceeds of the sale of the Underlying Allowance(s).

Notwithstanding the above, or any other term to the contrary and subject to clause 11.7 (*Security Enforcement*) of the relevant Carbon Counterparty Agreement, no notice containing the Allowance(s) Sale Request Details shall be delivered by the Determination Agent and no Allowance(s) Sale Request Notice shall be delivered by the Issuer to the Carbon Counterparty following the occurrence of an Enforcement Event and, upon the Carbon Counterparty becoming aware of the occurrence of an Enforcement Event following the Carbon Counterparty's receipt of an Enforcement Notice from the Trustee, no further purchases of Underlying Allowance(s) by the Carbon Counterparty from the Issuer shall be made during the Redemption Disposal Period, save that any transaction entered into in connection with the sale and purchase of the relevant Underlying Allowance(s) in respect of which a Price Confirmation Notice has been delivered on or prior to the date such Enforcement Notice was given, shall be settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement unless such Enforcement Event occurred due to a Carbon Counterparty FTP Consequence (in which case the relevant parties shall not be required to take such steps and actions to settle such transaction and, for the avoidance of doubt, no further purchase transactions of the relevant Underlying Allowance(s) shall be made during the Redemption Disposal Period).

- (F) In respect of each sale and purchase of Confirmed Underlying Allowance(s), the Carbon Counterparty shall be permitted to deduct (i) any withholding tax, stamp duty, transfer taxes, registration taxes or similar duties arising from or connected with such purchase of the relevant number of Confirmed Underlying Allowance(s) from the Relevant Price for such Confirmed Underlying Allowance(s) (to the extent that the Carbon Counterparty is unable to recover, obtain a repayment of or obtain a credit for such tax) and (ii) the Carbon Counterparty's fees and expenses as agreed between the Programme Administrator and the Carbon Counterparty from time to time in respect of such sale of Confirmed Underlying Allowance(s).
- (G) Without prejudice to anything in this Condition 5(d)(i), the Carbon Counterparty shall use reasonable efforts to purchase the Underlying Allowance(s) in such a way as to minimise any Taxes which may be charged, withheld or deducted on the sale and purchase thereof which would reduce the net sale proceeds (as compared to the position if no Taxes were due), save that nothing in this Condition 5(d)(i) shall require the Carbon Counterparty to minimise any such Taxes in a manner which would itself reduce the net sale proceeds.
- (H) For the avoidance of doubt, the relevant Redemption Disposal Period (and consequently, the sale and purchase of the Underlying Allowance(s) pursuant to this Condition 5(d)(i)) may be postponed following the occurrence of a Disruption Event (as defined in Condition 8(a)) which results in the postponement of the Final Redemption Valuation Date or Early Redemption Valuation Date pursuant to Condition 8(c) (*Postponement of Final Redemption Valuation Date or Early Redemption Valuation Date and Payment of Final Redemption Amount or Early Redemption Amount*).

(ii) *Application of Proceeds Prior to Enforcement*

Prior to the enforcement of the Security constituted under each Security Document, the Issuer (or its agent) shall, in respect of an early redemption of the Carbon ETC Securities,

apply the Aggregate Net Sale Proceeds, after taking account of any Taxes incurred, withheld or deducted by or on behalf of the Issuer, as follows (without double-counting):

- (A) 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 Documents and/or the Trust Deed and/or any other Transaction Document (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 Documents and/or the other Transaction Documents and the Trustee's remuneration (other than any income, corporation or similar tax in respect of the Trustee's remuneration));
- (B) secondly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of the Carbon ETC Securities;
- (C) thirdly, in payment of any amounts owing to any Paying Agent for reimbursement in respect of proper payment of Principal made to the relevant holders of Carbon ETC Securities;
- (D) fourthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing Agent and any other Paying Agent(s) pursuant to the Agency Agreement, (II) the Determination Agent and the Programme Administrator pursuant to the Determination Agent Agreement and Programme Administrator Agreement (including, for the avoidance of doubt, the fees payable to the Programme Administrator pursuant to Clause 4.1 (*Product Fees*) of the Programme Administrator Agreement), respectively, (III) any Authorised Participant under an Authorised Participant Agreement, (IV) the Corporate Services Provider pursuant to the Administration Services Agreement, (V) the Carbon Accounts Administrator pursuant to the Carbon Accounts Administrator Agreement and/or the Custody Agreement and (VI) the Custodian pursuant to the Custody Agreement, in each case to the extent they relate to the relevant Series of Carbon ETC Securities and where such fees, expenses or other amounts are payable by (or on behalf of) the Issuer in relation to such Series, but excluding any expenses payable to the Corporate Services Provider under the fee side letter between the Programme Administrator, the Issuer and the Corporate Services Provider dated on or about 15 November 2023 in respect of excess liquidation costs;
- (E) fifthly, in payment of any amounts owing to the Securityholders by the Issuer *pari passu* and rateably; and
- (F) sixthly, in payment of the balance (if any) to the Issuer.

If a Disrupted Offer Event, a Disrupted Disposal Period Event, a Disrupted Remaining Sale/Purchase Event or a Disrupted Settlement Event occurs, then following notification from the Carbon Counterparty of such event pursuant to the terms of the relevant Carbon Counterparty Agreement, the Programme Administrator will determine, in its sole and absolute discretion (but acting in good faith and in a commercially reasonable manner):

- (A) satisfaction of (I) the amounts payable pursuant to this Condition 5(d)(ii)(A) to (D) and (II) the Early Redemption Amount pursuant to Condition 7(b) (*Early Redemption Amount*), in each case, in such manner and upon such terms as the Programme Administrator shall think fit including, without limitation, procurement of an assignment of certain Issuer's security interests in favour of the relevant parties or the relevant Securityholder(s) (as applicable) (but to the extent any sale and purchase of the

relevant Allowance(s) have been settled, taking into account the Aggregate Net Sale Proceeds received in respect of such Allowance(s)); and

- (B) following satisfaction of such amounts payable pursuant to this Condition 5(d)(ii)(A) to (D) and of the Early Redemption Amount pursuant to Condition 7(b) (*Early Redemption Amount*), to the extent the Allowance(s) originally designated as comprising such amounts are not (or have not been) delivered or liquidated or the security interests in respect of such Allowance(s) are not assigned, further action (if any) in relation to such remaining Allowance(s).

For the avoidance of doubt, no party shall be entitled to any additional payment whether on account of interest or otherwise on the Carbon ETC Securities in the event of such determination by the Programme Administrator pursuant to this Condition.

(e) ***Enforcement of Security Constituted under each Security Document***

The Security over the Secured Property shall become enforceable if (i) payment of Principal in respect of the relevant Series of Carbon ETC Securities is not made in full when due on the Scheduled Maturity Date or the relevant Scheduled Early Redemption Date (if applicable) or (ii) upon the occurrence of a Carbon Counterparty FTP Consequence (in each case, an “**Enforcement Event**”).

As soon as reasonably practicable upon the occurrence of an Enforcement Event and prior to taking any steps to enforce the Security in respect of a Series, the Trustee shall give notice in writing to the Issuer and each Transaction Party of the relevant Series of Carbon ETC Securities (such notice, an “**Enforcement Notice**”) (i) that the Trustee intends to enforce the Security in respect of a Series, (ii) that the Carbon Accounts Administrator shall act in accordance with clause 5.2 (*Trustee’s directions*) of the relevant Carbon Accounts Administrator Agreement; (iii) that the Custodian and Carbon Accounts Administrator shall act in accordance with clause 16 (*Enforcement*) of the relevant Custody Agreement; (iv) that the Determination Agent shall cease to notify the Issuer of Allowance(s) Sale Request Details and the Product Fee Allowance(s) Sale Request Details (as defined in the relevant Carbon Counterparty Agreement), the Issuer shall cease to offer to sell Allowance(s) to the Carbon Counterparty and the Carbon Counterparty shall cease to accept further offers of sale of Allowance(s) (including Product Fee Allowance(s)) from (or delivered on behalf of) the Issuer in respect of the relevant Series of Carbon ETC Securities (except at the Trustee’s request or on its instructions pursuant to clause 11.7.1 (*Carbon Counterparty obligations following Security enforcement*) of the relevant Carbon Counterparty Agreement); (v) that the Issuer shall act in accordance with clause 2.26(i) (*Trustee’s directions*) of the relevant English Law Security Deed, clause 2.22(i) (*Trustee’s directions*) of the relevant Luxembourg Law Pledge Agreement and clause 2.27(i) (*Trustee’s directions*) of the relevant Jersey Law Security Interest Agreement and (vi) including a brief description of the relevant Enforcement Event which has occurred, save that any transaction entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice (as defined in the relevant Carbon Counterparty Agreement) has been delivered on or prior to the date such Enforcement Notice was given shall be settled (pursuant to clauses 4.3 (*Delivery of Confirmed Underlying Allowance(s)*) and 5.3 (*Delivery of Product Fee Allowance(s)*) of the relevant Carbon Counterparty Agreement) and the Carbon Counterparty shall take any steps and actions necessary to settle such transaction and/or that are incidental thereto, save that any transaction entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice (as defined under the relevant Carbon Counterparty Agreement) has been delivered on or prior to the date such Enforcement Notice was given shall be settled (pursuant to clauses 4.3 (*Delivery of Confirmed Underlying Allowance(s)*) and 5.3 (*Delivery of Product Fee Allowance(s)*) of the relevant Carbon Counterparty Agreement) and the Carbon Counterparty shall take any steps and actions necessary to settle such transaction and/or that are incidental thereto, unless such Enforcement Event

occurred due to a Carbon Counterparty FTP Consequence (in respect of a sale and purchase transaction of Underlying Allowance(s) for the relevant Redemption Disposal Period, in which case the parties shall not be required to take such steps and actions to settle such transaction). On receipt of such Enforcement Notice, the Issuer shall notify the Securityholders of the same on the day of receipt or in any case, as soon as reasonably practicable.

In the case of Jersey Law Security only, the Security in respect of the Jersey Law Secured Property shall only become enforceable following service of the Enforcement Notice on the Issuer by the Trustee. For the avoidance of doubt, where it is specified in these Conditions or any Transaction Document that either (i) the Issuer receives an Enforcement Notice or (ii) an Enforcement Notice is delivered to the Issuer, this shall be construed as service of the Enforcement Notice on the Issuer for purposes of the Jersey Law Security.

(f) **Realisation of Security following enforcement**

- (i) 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 Carbon ETC Securities of the relevant Series then outstanding or by an Extraordinary Resolution of the Securityholders, in each case, subject to it having been indemnified, secured and/or pre-funded to its satisfaction, enforce the Security constituted under each Security Document for the relevant Series.

For the avoidance of doubt, in the case of Jersey Law Security only, the Security in respect of the Jersey Law Secured Property shall only become enforceable once the Enforcement Notice has been served on the Issuer by the Trustee.

- (ii) To do this, it may, at its discretion, (A) enforce, terminate and/or realise any relevant Transaction Document (other than the Trust Deed) relating to the Carbon ETC Securities of the relevant Series and any Secured Agent Rights in accordance with its or their terms, and/or take action against the relevant Obligor(s) and/or (B) take possession of and/or realise all or part of the Secured Property relating to the relevant Series of Carbon ETC Securities 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 (and, in respect of the Luxembourg Law Secured Property, in accordance with the Luxembourg Law Pledge Agreement), 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 shall 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.

For purposes of such enforcement, the Trustee may, by notice in writing to the Issuer and the Carbon Counterparty request that the Carbon Counterparty purchases all or any portion of the Underlying Allowance(s) (including any Product Fee Allowance(s)) from the Issuer and the Carbon Counterparty shall consider such request and shall use commercially reasonable efforts acting in good faith to accept a corresponding offer from the Issuer in respect of such sale (on the terms as agreed between the Trustee and the Carbon Counterparty at the time), pursuant to clause 11.7 (*Security Enforcement*) of the relevant Carbon Counterparty Agreement.

- (iii) The Trustee may, in writing, appoint a receiver over all or part of the Secured Property relating to the Carbon 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.

- (iv) Pursuant to each Security Document, 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 relevant Series of Carbon ETC Securities or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts (including any aggregate net sale proceeds from any transaction(s) entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice (as defined in the relevant Carbon Counterparty Agreement) was delivered on or prior to the date the Enforcement Notice was given, such transaction to be settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement) 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, gross negligence or wilful default.

The Trustee or any receiver shall not be obliged or 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.

- (v) Notwithstanding the above, or any other term to the contrary and subject to clause 11.7 (*Security Enforcement*) of the relevant Carbon Counterparty Agreement, any transaction entered into in connection with the sale and purchase of the relevant Underlying Allowance(s) or Product Fee Allowance(s) in respect of which a Price Confirmation Notice (as defined in the relevant Carbon Counterparty Agreement) has been delivered on or prior to the date the Enforcement Notice was given, shall be settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement unless, in the case of a sale and purchase of Underlying Allowance(s) on redemption, such Enforcement Event occurred due to a Carbon Counterparty FTP Consequence (and, for the avoidance of doubt, no further purchase transactions of the relevant Underlying Allowance(s) shall be made during the Redemption Disposal Period).

(g) ***Limited Recourse and Shortfall after Application of Proceeds***

In respect of the relevant Series of Carbon ETC Securities, the Transaction Parties and the Securityholders shall have recourse only to the Secured Property in respect of the relevant Series of Carbon ETC Securities, subject always to the Security, and not to any other assets of the Issuer (except the Carbon Counterparty, who is not a Secured Creditor and shall not have recourse to the Secured Property or any other assets of the Issuer). If, following realisation in full of such Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 5, the Trust Deed and the Security Documents (and/or in the case of a buy-back, following delivery of Allowance(s) (as applicable)), any outstanding claim against the Issuer in respect of the Secured Issuer Obligations or Other Issuer Obligations remains unpaid (or unsatisfied due to non-delivery of all or a portion of the relevant number of Allowance(s) in the case of buy-back)), then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. None of the Transaction Parties, the Securityholders or any other person acting on behalf of any of them shall be entitled to take any steps against (i) any of the Issuer's officers, shareholders, corporate service providers or directors or (ii) following extinguishment in accordance with this Condition 5(g), the Issuer to recover any further sum (or assets) 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 (or assets). It being expressly agreed and understood that the Carbon ETC Securities and the Transaction Documents are corporate obligations of the Issuer, each party agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in the Carbon ETC Securities or any Transaction

Document or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director, is hereby deemed expressly waived by the Transaction Parties and the Securityholders.

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 assets and/or property (i) attributable to any other securities issued by the Issuer (save for any further securities which form a single series with the relevant Series of Carbon ETC Securities) or (ii) not attributable to any particular Series.

The provisions of this Condition 5(g) shall survive notwithstanding any redemption of the relevant Series of Carbon 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 5(a), Condition 14(a) or any other Condition, at any time before any Security in respect of the relevant Series of Carbon 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 relevant Series of Carbon 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 (including in its capacity as the entity with beneficial rights to the Underlying Allowance(s)) 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 relating to the relevant Series of Carbon ETC Securities unless it has the consents referred to above or is directed to do so by an Extraordinary Resolution or unless otherwise permitted by these Conditions or other Transaction Documents 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 Security in respect of the Carbon ETC Securities becoming enforceable and subject to Condition 5(a)(ii), the Issuer may release or modify the rights and assets which are comprised in the Secured Property for the relevant Series of Carbon ETC Securities 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 5(a)(ii) (or in the Trust Deed and or any Security Document) in relation to which the Security over such Secured Property is released.

## **6 Restrictions**

So long as any of the Carbon ETC Securities remain outstanding, the Issuer shall not, without the prior written consent of the Trustee and, other than in respect of any termination of its appointment or action against it, the Programme Administrator, and except as provided for or contemplated in the Conditions or any Transaction Document:

- (i) engage in any business other than (a) the issuance of series of securities (including any Series) and any amendment, exchange, repurchase, cancellation or reissue or resale of the same, (b) the acquisition of Allowance(s) in connection with such issuances and (c) the entry into of related agreements and transactions (including the Transaction Documents for that Series or the same for



any other series) and the performing of acts required thereunder or which relate or are incidental thereto or reasonably necessary (in the opinion of the Issuer) in connection therewith or in furtherance thereof (which, for the avoidance of doubt, may occur in connection with this Programme or any other secured securities programme established by the Issuer), and provided that each series of securities:

- (A) shall be secured on assets of the Issuer other than the Issuer's share capital and any assets securing any other series of securities; and
- (B) shall, together with any related agreements entered into by the Issuer relating specifically to such securities, contain provisions that (x) limit the recourse of any holder of such securities, and of any party to any related agreement entered into by the Issuer relating specifically to such securities, to assets securing such series and not to assets to which any other series of securities have recourse and (y) prevent any persons from instituting any form of insolvency or similar proceedings with respect to the Issuer or any of its directors.

For the avoidance of doubt, agreements entered into by the Issuer with another party in respect of the Programme and relating to multiple series of securities may also contain provisions that limit the recourse of such party, in respect of their claims against the Issuer that does not relate to a particular series of Carbon ETC Securities, to assets of the Issuer which are not secured assets in respect of any series.

For the avoidance of doubt, acts incidental or reasonably necessary in connection therewith or in furtherance thereof shall include (without limitation): (aa) the appointment of auditors, administrators, corporate administrators, banks, advisers or any other service provider necessary to maintain the Issuer and/or keep it operating and/or to comply with any laws, regulations or rules applicable to it, (bb) the amendment or termination of any related agreement to a series of securities, (cc) the entry into, amendment or termination of any agreement relating to the Issuer generally and not to any specific series of securities but which is to facilitate the issuance by the Issuer of securities and its ongoing administration of the same (including, without limitation, any agreement relating to the operation of one or more allowance(s) accounts), (dd) entering into arrangements designed to allow investors in securities issued by any other issuer to be able to exchange those securities for securities issued by the Issuer and (ee) entering into any arrangements with any party relating to the Programme or any other issue of securities (including the issue of any separate series of securities) to entitle that party to receive any payment from the Issuer provided that such payments are not made from the secured property of any series;

- (ii) cause or permit the terms of the Security granted under each Security Document and the order of priority specified in the Conditions, the Trust Deed and each Security Document, as applicable, to be amended, terminated or discharged (other than as contemplated by the relevant Trust Deed, Security Document and/or the Conditions relating to such Series of Carbon ETC Securities);
- (iii) release any party (other than any Agent) to the relevant Trust Deed, the relevant Security Document or any other relevant Transaction Document relating to a Series of Carbon ETC Securities from any existing obligations thereunder (other than as contemplated by the relevant Trust Deed, Security Document, Determination Agent Agreement, Agency Agreement, Carbon Accounts Administrator Agreement, Programme Administrator Agreement, Carbon Counterparty Agreement, Custody Agreement, any other relevant Transaction Document and/or the Conditions relating to such Series of Carbon ETC Securities);
- (iv) have any subsidiaries;
- (v) sell, transfer or otherwise dispose of the Secured Property in respect of any Series of Carbon 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 (i) in

accordance with the Conditions of the relevant Carbon ETC Securities of any such Series and any other Transaction Document relating to any such Series as may be applicable; and (ii) for liens customarily maintained by clearing systems or depositories;

- (vi) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the Conditions, the relevant Trust Deed, the relevant Security Document or any other Transaction Document relating to any Series of Carbon ETC Securities (other than as contemplated by the Conditions and the relevant Transaction Documents, in each case relating to any such Series);
- (vii) acquire any asset at any time that is not cash and/or not regarded as an Allowance or carry out any other business apart from the holding, managing or both the holding and the management in each case of cash (in Jersey) and/or Allowance(s) (and activities which are ancillary to that business);
- (viii) 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 Carbon ETC Securities);
- (ix) have any employees;
- (x) issue any shares (other than such shares in the capital of the Issuer as were issued at the date of initial establishment of the Programme and which are ultimately held on charitable trust by its holders) or make any distribution to its shareholders in excess of EUR 1,000 per annum;
- (xi) open or have any interest in any account with a bank or financial institution unless such account (A) is a Series Cash Account or a collection account relating to fees received in connection with the issuance or buy-back of securities of a series 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 or (C) opened in connection with any other series of securities or (D) is otherwise reasonably necessary (in the opinion of the Issuer) in relation to any series of securities or the operation of the Issuer in relation to the issuance of securities;
- (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 (save as may be required in connection with any exchange offer contemplated in paragraph (i));
- (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 transaction document and/or the conditions relating to a series of 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 other series of securities, to any other entity or person;
- (xvi) subject as provided in paragraph (i) above, incur any other indebtedness for borrowed moneys, other than issuing further securities (which may or may not form a single series with any existing series of securities and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such series; or
- (xvii) permit or cause any Underlying Allowance(s) to be transferred out of a Series Carbon Account (by giving instructions to the Custodian) other than a transfer made (1) to an Authorised Participant in connection with the settlement of a buy-back from that Authorised Participant and where the buy-back in respect of the Buy-Back Order is at the Buy-Back Redemption Amount; (2) to the Carbon Counterparty in order to realise Allowance(s) (including any Carry-Over Product Fee Allowance(s))

and such number of Allowance(s) subject to rounding in accordance with clause 5.6 (*Rounding*) of the relevant Carbon Counterparty Agreement) representing the Product Fee as provided in the relevant Carbon Counterparty Agreement; (3) to the Carbon Counterparty following an Early Redemption Valuation Date or Final Redemption Valuation Date in accordance with Condition 5(d) and the relevant Carbon Counterparty Agreement; (4) back to an Authorised Participant in connection with a Subscription Cancellation Notice (as defined in the Authorised Participant Agreement) due to a failure by the Issuer (or the Issuing Agent on its behalf) to cause the Carbon ETC Securities relating to a subscription order to be issued and settled and the relevant subscription order is cancelled pursuant to such Authorised Participant Agreement; (5) back to an Authorised Participant in connection with a failed subscription order due to a failure of the Authorised Participant to deliver the Subscription Settlement Amount in full and the relevant subscription order is cancelled pursuant to such Authorised Participant Agreement; (6) back to an Authorised Participant in connection with a cancelled subscription order pursuant to clause 2.16 (*Cancellation*) of the relevant Authorised Participant Agreement; (7) back to a Seed Authorised Participant in connection with an Issuance Cancellation Notice (as defined in the Authorised Participant Agreement) and the relevant subscription order is cancelled pursuant to such Authorised Participant Agreement; (8) in accordance with the Trustee's instructions, following the occurrence of an Enforcement Event (provided, in the case of the Jersey Law Security only, that the Enforcement Notice has been served on the Issuer by the Trustee) or (9) otherwise as permitted pursuant to the Conditions, the relevant Trust Deed, each Security Document or any other Transaction Document,

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

## 7 Redemption, Purchase and Options

For the purposes of these Conditions, the following terms have the meanings as set out below:

**"Aggregate Final Allowance(s) Entitlement"** means, in respect of a Securityholder and a Final Redemption Valuation Date or Early Redemption Valuation Date (as applicable), the product of (i) the Allowance(s) Entitlement per Carbon ETC Security as of such Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be; and (ii) the total number of Carbon ETC Securities outstanding, in each case as at such date.

**"Aggregate Allowance(s) Sold"** means the sum of:

- (i) (a) prior to enforcement of the Security in respect of the relevant Carbon ETC Securities, the aggregate number of Underlying Allowance(s) sold by the Issuer and purchased by the Carbon Counterparty during the relevant Redemption Disposal Period (provided that such Allowance(s) have successfully settled such that the Net Sale Proceeds are received by the Issuer on or prior to the Settlement Long-Stop Date), as notified by the Carbon Counterparty to the Issuer pursuant to clause 4.6 (*Notification of aggregate proceeds and Allowance(s) sold*) of the relevant Carbon Counterparty Agreement; or (b) following enforcement of the Security in respect of the relevant Carbon ETC Securities, the sum of (I) the aggregate number of Underlying Allowance(s) sold in connection with the realisation of such Underlying Allowance(s) by way of enforcement by the Trustee and (II) the aggregate number of Allowance(s) from any transaction(s) entered into in connection with the sale and purchase of such relevant Allowance(s) in respect of which a Price Confirmation Notice was delivered on or prior to the date the Enforcement Notice was given (such transaction settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement); and
- (ii) the aggregate number of Underlying Allowance(s) which remain stolen following delivery of an Issuer Theft Event Notice.

**“Aggregate Net Sale Proceeds”** means (i) prior to enforcement of the Security in respect of the relevant Carbon ETC Securities, the sum of all Net Sale Proceeds received by the Issuer (and which, for the avoidance of doubt, are not returned to the Carbon Counterparty pursuant to the relevant Carbon Counterparty Agreement for any reason) in respect of all sales and purchases of Confirmed Underlying Allowance(s) during the relevant Redemption Disposal Period or (ii) following enforcement of the Security in respect of the relevant Carbon ETC Securities, the Net Sale Proceeds in connection with the enforcement and/or realisation of the Security over the Secured Property (including, without limitation, the realisation of the Underlying Allowance(s) by way of enforcement).

In respect of any Allowance(s) which remain stolen following delivery of an Issuer Theft Event Notice, such Allowance(s) shall be deemed to have been sold at a price of zero for purposes of calculating the Aggregate Net Sale Proceeds.

**“Allowance(s) Entitlement per Carbon ETC Security”** has the meaning given to it in Condition 4(b).

**“Average Allowance(s) Sale Price”** means a price denominated in the Specified Currency determined by the Determination Agent as being equal to:

- (i) Aggregate Net Sale Proceeds; divided by
- (ii) Aggregate Allowance(s) Sold,

provided that, in respect of any Allowance(s) which remain stolen following delivery of an Issuer Theft Event Notice, such Allowance(s) are included in the calculation for “Aggregate Allowance(s) Sold” and are deemed to have been sold at a price of zero for the purposes of calculating the “Aggregate Net Sale Proceeds”.

**“Early Allowance(s) Redemption Amount”** means an amount determined by the Determination Agent as being equal to the product of (i) the Allowance(s) Entitlement per Carbon ETC Security as at the Early Redemption Valuation Date and (ii) the Average Allowance(s) Sale Price.

**“Early Redemption Valuation Date”** means, subject to Condition 8(c):

- (i) in relation to an Early Redemption Event, the date specified as such in relation to that event or if not specified, the date of the occurrence of the Early Redemption Event; and
- (ii) in relation to an Event of Default, the date of the Event of Default Redemption Notice from the Trustee given to the Issuer pursuant to Condition 12;

or if such day is not a Business Day, the next following Business Day.

**“Final Allowance(s) Redemption Amount”** means an amount determined by the Determination Agent as being equal to the product of (i) the Allowance(s) Entitlement per Carbon ETC Security as at the Final Redemption Valuation Date and (ii) the Average Allowance(s) Sale Price.

**“Final Redemption Valuation Date”** means, subject to Condition 8(c), [*To be specified in Final Terms – [●]*], provided that if such day is not a Business Day, the Final Redemption Valuation Date shall be the immediately following Business Day.

**“Net Sale Proceeds”** means:

- (i) prior to enforcement of the Security in respect of the relevant Carbon ETC Securities and in relation to each sale of Underlying Allowance(s) in respect of an Early Redemption Valuation Date or Final Redemption Valuation Date, an amount determined and notified by the Carbon Counterparty to the Issuer, the Determination Agent, the Trustee, the Carbon Accounts Administrator, the Custodian and the Programme Administrator in accordance with clause 4.2.4 (*Price Confirmation Notice(s)*) of the relevant Carbon Counterparty Agreement, which is denominated in the Specified Currency and equal to (a) the Relevant Price *less* (b) all amounts which the Carbon Counterparty is entitled to

deduct from the proceeds of sale in respect of such Allowance(s) in accordance with Condition 5(d);  
or

- (ii) following enforcement of the Security in respect of the relevant Carbon ETC Securities, the sum of  
(a) all moneys received by the Trustee under the provisions of the relevant Trust Deed, relevant Carbon Counterparty Agreement, relevant Security Documents and any other Transaction Document (net of any taxes, costs or charges incurred on the sale of such Allowance(s)) in connection with the enforcement and/or realisation of the Security over the Secured Property (including, without limitation, the realisation of the Underlying Allowance(s) by way of enforcement) and (b) the aggregate net sale proceeds from any transaction(s) entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice was delivered on or prior to the date the Enforcement Notice was given (such transaction(s) settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement).

**“Relevant Price”** means an amount determined by the Carbon Counterparty which is equal to the product of:

- (i) the price in EUR for one Allowance, that the Carbon Counterparty believes (acting in good faith and in a commercially reasonable manner) is representative of an intra-day fair market price on the date such Allowance(s) are sold by the Issuer and purchased by the Carbon Counterparty, based on market conditions then prevailing; and
- (ii) in relation to each sale of Underlying Allowance(s) in respect of an Early Redemption Valuation Date or Final Redemption Valuation Date, the number of relevant Underlying Allowance(s).

**“Scheduled Early Redemption Date”** means the 8<sup>th</sup> Business Day following the last day of the Early Redemption Disposal Period.

**“Specified Currency”** has the meaning given to it in Condition 1.

(a) ***Final Redemption Amount***

Unless previously redeemed in whole or purchased and cancelled by the Issuer as provided below, subject to Condition 8(c), each Carbon ETC Security of this Series shall become due and payable on the Scheduled Maturity Date at its final redemption amount (the **“Final Redemption Amount”**), being an amount per Carbon ETC Security in the Specified Currency determined by the Determination Agent equal to the greater of:

- (i) the Final Allowance(s) Redemption Amount; and
- (ii) five per cent. of the Issue Price per Carbon ETC Security as at the Series Issue Date (the **“Minimum Debt Principal Amount”**).

The Final Redemption Amount is intended to be funded from the Aggregate Net Sale Proceeds received by the Issuer pursuant to its sale of the relevant Allowance(s) to the Carbon Counterparty during the Final Redemption Disposal Period in accordance with Condition 5(d).

If, irrespective of the occurrence of a Disruption Event during the Final Redemption Disposal Period, all relevant Underlying Allowance(s) are sold by the Issuer and purchased by the Carbon Counterparty during the Final Redemption Disposal Period pursuant to the relevant Carbon Counterparty Agreement and such Allowance(s) all successfully settle (such that all Net Sale Proceeds are received by the Issuer on or prior to the Settlement Long-Stop Date), the Issuer or the Determination Agent (or an agent on its behalf) will, on or prior to the 3<sup>rd</sup> Business Day following the last day of the Final Redemption Disposal Period, publish the determination of the Final Redemption Amount. Publication of the Final Redemption Amount will be on the website maintained on behalf of the Issuer at [www.etf.dws.com](http://www.etf.dws.com) (or such other website notified by the Issuer for such Series of

Carbon ETC Securities from time to time) and shall include the following details: the Relevant Price, the Net Sale Proceeds, the number of Confirmed Underlying Allowance(s), the relevant Allowance Type and the date of sale and purchase of each sale of Underlying Allowance(s) during the Final Redemption Disposal Period, including information on any fees, deductions and/or taxes imposed on such sale, and the determination of the Average Allowance(s) Sale Price.

If a Disrupted Offer Event, a Disrupted Disposal Period Event, a Disrupted Remaining Sale/Purchase Event or a Disrupted Settlement Event occurs, then following notification from the Carbon Counterparty of such event pursuant to the terms of the relevant Carbon Counterparty Agreement, the Programme Administrator will determine, in its sole and absolute discretion (but acting in good faith and in a commercially reasonable manner):

- (A) satisfaction of the Final Redemption Amount pursuant to this Condition 7(a) (*Final Redemption Amount*) in such manner and upon such terms as the Programme Administrator shall think fit including, without limitation, procurement of an assignment of certain Issuer's security interests in favour of the relevant Securityholder(s) (but to the extent any sale and purchase of the relevant Allowance(s) have been settled, taking into account the Aggregate Net Sale Proceeds received in respect of such Allowance(s)); and
- (B) following satisfaction of the Final Redemption Amount pursuant to this Condition 7(a) (*Final Redemption Amount*), to the extent the Allowance(s) originally designated as comprising the Final Redemption Amount are not (or have not been) delivered or liquidated or the security interests in respect of such Allowance(s) are not assigned, further action (if any) in relation to such remaining Allowance(s).

For the avoidance of doubt, no Securityholder shall be entitled to any additional payment whether on account of interest or otherwise on the Carbon ETC Securities in the event of such determination by the Programme Administrator pursuant to this Condition.

If a Disrupted Offer Event, a Disrupted Disposal Period Event, a Disrupted Remaining Sale/Purchase Event or a Disrupted Settlement Event occurs and the Final Redemption Amount is instead determined by the Programme Administrator at its sole and absolute discretion in accordance with this Condition 7(a) (*Final Redemption Amount*), the Issuer or the Determination Agent (or an agent on its behalf) will as soon as possible after such determination is made and, in any case, on or prior to the 3<sup>rd</sup> Business Day following the last day of the Final Redemption Disposal Period, publish the determination of the Final Redemption Amount. The Programme Administrator shall further determine the details which shall be included in the publication of the Final Redemption Amount on the website maintained on behalf of the Issuer at [www.etf.dws.com](http://www.etf.dws.com) (or such other website notified by the Issuer for such Series of Carbon ETC Securities from time to time).

*The ability of the Issuer to make payment of the Final Redemption Amount is dependent, inter alia, on (A) the Final Allowance(s) Redemption Amount being at least equal to the Minimum Debt Principal Amount; and (B) the Carbon Counterparty fulfilling their obligations under the Carbon Counterparty Agreement.*

*Provided that the Final Allowance(s) Redemption Amount is at least equal to the Minimum Debt Principal Amount and assuming no Disrupted Offer Event, Disrupted Disposal Period Event, Disrupted Remaining Sale/Purchase Event, Disrupted Settlement Event or other event has occurred affecting the sale by the Issuer or the purchase by the Carbon Counterparty of the relevant Allowance(s) or affecting the settlement of the sale and purchase of such Allowance(s) (as applicable), such that the relevant Underlying Allowance(s) are not all sold and purchased by the end of the Final Redemption Disposal Period and/or payment in respect of such Underlying Allowance(s) are not all settled on or prior to the Settlement Long-Stop Date, the ability of the Issuer to make payment of the Final Redemption Amount will be dependent on (I) its receipt in full from the Carbon Counterparty of the Aggregate Net Sale Proceeds from its sale of the Underlying*

*Allowance(s) to the Carbon Counterparty in accordance with Condition 5(d); (II) the Carbon Counterparty having purchased all of the Underlying Allowance(s) on or prior to the last day of the Final Redemption Disposal Period; (III) the sale and purchase of such Underlying Allowance(s) having settled such that all Net Sale Proceeds are received by the Issuer on or prior to the Settlement Long-Stop Date and (IV) the Underlying Allowance(s) held by the Issuer as at the first day of the Redemption Disposal Period being at least equal to the Aggregate Final Allowance(s) Entitlement.*

*To the extent any of (I), (II), (III) or (IV) above are not satisfied and payment of Principal in respect of the relevant series of Carbon ETC Securities is not made in full when due on the Scheduled Maturity Date, the security enforcement provisions of Condition 5 shall apply and the payment of any proceeds of any such enforcement shall be made in accordance with Condition 5. If the Issuer's inability to pay the Final Redemption Amount on the Scheduled Maturity Date is solely due to the Final Allowance(s) Redemption Amount falling below the Minimum Debt Principal Amount, the Issuer is not expected to have any further rights against the Carbon Counterparty which could be enforced and therefore there may not be any proceeds of enforcement of the Security.*

*All such payments are also subject to the limited recourse provisions of Condition 5(g). As a result of the application of Condition 5(g), the Securityholders may not receive in full the Final Redemption Amount payable in respect of a Carbon ETC Security.*

(b) **Early Redemption Amount**

Unless previously purchased and cancelled by the Issuer as provided below, subject to Condition 8(c), if an Early Redemption Event occurs, each Carbon ETC Security of this Series shall become due and payable on the related Scheduled Early Redemption Date at its early redemption amount (the “**Early Redemption Amount**”) being an amount per Carbon ETC Security in the Specified Currency determined by the Determination Agent equal to the greater of:

- (i) the Early Allowance(s) Redemption Amount; and
- (ii) the Minimum Debt Principal Amount (as defined in Condition 7(a)(ii)).

The Early Redemption Amount is intended to be funded from the Aggregate Net Sale Proceeds received by the Issuer pursuant to its sale of the relevant Allowance(s) to the Carbon Counterparty during the Early Redemption Disposal Period in accordance with Condition 5(d).

If, irrespective of the occurrence of a Disruption Event during the Early Redemption Disposal Period, all relevant Underlying Allowance(s) are sold by the Issuer and purchased by the Carbon Counterparty during the Early Redemption Disposal Period pursuant to the relevant Carbon Counterparty Agreement and such Allowance(s) all successfully settle (such that all Net Sale Proceeds are received by the Issuer on or prior to the Settlement Long-Stop Date), the Issuer or the Determination Agent (or an agent on its behalf) will, on or prior to the 3<sup>rd</sup> Business Day following the last day of the Early Redemption Disposal Period, publish the determination of the Early Redemption Amount. Publication of the Early Redemption Amount will be on the website maintained on behalf of the Issuer at [www.etf.dws.com](http://www.etf.dws.com) (or such other website notified by the Issuer for such Series of Carbon ETC Securities from time to time) and shall include the following details: the Relevant Price, the Net Sale Proceeds, the number of Confirmed Underlying Allowance(s), the relevant Allowance Type and the date of sale and purchase of each sale of Underlying Allowance(s) during the Early Redemption Disposal Period, including information on any fees, deductions and/or taxes imposed on such sale, and the determination of the Average Allowance(s) Sale Price.

If a Disrupted Offer Event, a Disrupted Disposal Period Event, a Disrupted Remaining Sale/Purchase Event or a Disrupted Settlement Event occurs, then following notification from the Carbon Counterparty of such event pursuant to the terms of the relevant Carbon Counterparty

Agreement, the Programme Administrator will determine, in its sole and absolute discretion (but acting in good faith and in a commercially reasonable manner):

- (A) satisfaction of (I) the amounts payable pursuant to Condition 5(d)(ii)(A) to (D) and (II) the Early Redemption Amount pursuant to this Condition 7(b) (*Early Redemption Amount*), in each case, in such manner and upon such terms as the Programme Administrator shall think fit including, without limitation, procurement of an assignment of certain Issuer's security interests in favour of the relevant parties or the relevant Securityholder(s) (as applicable) (but to the extent any sale and purchase of the relevant Allowance(s) have been settled, taking into account the Aggregate Net Sale Proceeds received in respect of such Allowance(s)); and
- (B) following satisfaction of such amounts payable pursuant to Condition 5(d)(ii)(A) to (D) and of the Early Redemption Amount pursuant to this Condition 7(b) (*Early Redemption Amount*), to the extent the Allowance(s) originally designated as comprising such amounts are not (or have not been) delivered or liquidated or the security interests in respect of such Allowance(s) are not assigned, further action (if any) in relation to such remaining Allowance(s).

For the avoidance of doubt, no Securityholder shall be entitled to any additional payment whether on account of interest or otherwise on the Carbon ETC Securities in the event of such determination by the Programme Administrator pursuant to this Condition.

If a Disrupted Offer Event, a Disrupted Disposal Period Event, a Disrupted Remaining Sale/Purchase Event or a Disrupted Settlement Event occurs and the Early Redemption Amount is instead determined by the Programme Administrator at its sole and absolute discretion in accordance with this Condition 7(b) (*Early Redemption Amount*), the Issuer or the Determination Agent (or an agent on its behalf) will as soon as possible after such determination is made and, in any case, on or prior to the 3<sup>rd</sup> Business Day following the last day of the Early Redemption Disposal Period, publish the determination of the Early Redemption Amount. The Programme Administrator shall further determine the details which shall be included in the publication of the Early Redemption Amount on the website maintained on behalf of the Issuer at [www.etf.dws.com](http://www.etf.dws.com) (or such other website notified by the Issuer for such Series of Carbon ETC Securities from time to time).

*The ability of the Issuer to make payment of the Early Redemption Amount is dependent, inter alia, on (A) the Early Allowance(s) Redemption Amount being at least equal to the Minimum Debt Principal Amount; and (B) the Carbon Counterparty fulfilling their obligations under the Carbon Counterparty Agreement.*

*Provided that the Early Allowance(s) Redemption Amount is at least equal to the Minimum Debt Principal Amount and assuming no Disrupted Offer Event, Disrupted Disposal Period Event, Disrupted Remaining Sale/Purchase Event, Disrupted Settlement Event or other event has occurred affecting the sale by the Issuer or the purchase by the Carbon Counterparty of the relevant Allowance(s) or affecting the settlement of the sale and purchase of such Allowance(s) (as applicable), such that the relevant Underlying Allowance(s) are not all sold and purchased by the end of the Early Redemption Disposal Period and/or payment in respect of such Underlying Allowance(s) are not all settled on or prior to the Settlement Long-Stop Date, the ability of the Issuer to make payment of the Early Redemption Amount will be dependent on (I) its receipt in full from the Carbon Counterparty of the Aggregate Net Sale Proceeds from its sale of the Underlying Allowance(s) to the Carbon Counterparty in accordance with Condition 5(d); (II) the Carbon Counterparty having purchased all of the Underlying Allowance(s) on or prior to the last day of the Early Redemption Disposal Period; (III) the sale and purchase of such Underlying Allowance(s) having settled such that all Net Sale Proceeds are received by the Issuer on or prior to the Settlement Long-Stop Date and (IV) the Underlying Allowance(s) held by the Issuer as at the first day of the Redemption Disposal Period (including the aggregate number of Underlying Allowance(s)*



*which remain stolen following delivery of an Issuer Theft Event Notice) being at least equal to the Aggregate Final Allowance(s) Entitlement.*

*To the extent any of (I), (II), (III) or (IV) above are not satisfied and payment of Principal in respect of the relevant series of Carbon ETC Securities is not made in full when due on the relevant Scheduled Early Redemption Date, the security enforcement provisions of Condition 5 shall apply and the payment of any proceeds of any such enforcement shall be made in accordance with Condition 5. If the Issuer's inability to pay the Early Redemption Amount on the Scheduled Early Redemption Date is solely due to the Early Allowance(s) Redemption Amount falling below the Minimum Debt Principal Amount, the Issuer is not expected to have any further rights against the Carbon Counterparty which could be enforced and therefore there may not be any proceeds of enforcement of the Security.*

*All such payments are also subject to the limited recourse provisions of Condition 5(g). As a result of the application of Condition 5(g), the Securityholders may not receive in full the Early Redemption Amount payable in respect of a Carbon ETC Security.*

Notwithstanding anything to the contrary in the Conditions or any Transaction Document, and provided that no Early Redemption Valuation Date or Final Redemption Valuation Date has already occurred, if at any time following notice being given that an Early Redemption Event is to occur (the "**Initial Early Redemption Event**") a notice is given that 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 and the Scheduled Early Redemption Date of the Carbon ETC Securities as soon as reasonably practicable in accordance with Condition 17.

(c) **Issuer Call Redemption Event**

The Issuer may (but is not obliged to), on giving an irrevocable notice to the Programme Administrator and the Securityholders in accordance with Condition 17 (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person), elect to redeem all the Carbon 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 30<sup>th</sup> calendar day following the date of the relevant notice and shall not be on or after the Final Redemption Valuation Date (such notice an "**Issuer Call Redemption Notice**"). 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 (save that if such day is not a Business Day, the Early Redemption Valuation Date shall be the first following Business 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 Programme Administrator and the Securityholders.

(d) **Early Redemption Events**

Each of the following events (including an Issuer Call Redemption Event and an Event of Default) shall be an early redemption event (each an "**Early Redemption Event**") as specified below (and for the avoidance of doubt, the Issuer shall not need any consent of the Trustee or other person to deliver any of the notices contemplated as being potentially delivered by it below):

- (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, applicable market association, tax authority and/or any exchange) or due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer may (but is not obliged to) give notice to the Trustee, the Carbon Accounts Administrator, the Determination Agent, the Issuing Agent, each Paying Agent, the Programme Administrator, the Custodian, the Carbon Counterparty and the Securityholders in accordance with Condition 17 (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person) that all the Carbon ETC Securities of this Series are to be redeemed (such notice an “**Issuer Redemption Notice**”), because:
- (A) it has (or the Issuer reasonably expects that it will) become illegal for the Issuer to (x) acquire Allowance(s) or to hold or dispose of all or some only of the Underlying Allowance(s) (including in relation to holding the benefit of the Allowance(s), in each case, an “**Issuer Illegality Event**”), and/or (y) perform its obligations under the Carbon ETC Securities; or
- (B) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the Carbon ETC Securities (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).

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 and for such purposes the Early Redemption Valuation Date shall be the fourth Business Day after the date of the Issuer Redemption Notice (save that (i) if such day is not a Business Day, the Early Redemption Valuation Date shall be the first following Business Day and (ii) if such day would otherwise occur after the Final Redemption Valuation Date, then the Early Redemption Valuation Date shall be such Final Redemption Valuation Date);

- (ii) if:
- (A) the Trustee in relation to the relevant Series of Carbon ETC Securities resigns or is removed and no successor or replacement has been appointed before the expiry of the 90 calendar day notice period pursuant clause 13.2 (*Retirement and removal*) of the relevant Trust Deed;
- (B) the Carbon Accounts Administrator in relation to the relevant Series of Carbon ETC Securities resigns or their appointment is terminated pursuant to clauses 10.1 and 10.2 of the relevant Carbon Accounts Administrator Agreement, and no successor Eligible Carbon Accounts Administrator has been nominated before the expiry of the 60 calendar day notice period (or such earlier date of expiry calculated pursuant to such clauses) pursuant to clause 10.3 (*Condition to resignation and termination*) of the relevant Carbon Accounts Administrator Agreement;
- (C) the Issuing Agent or the Paying Agent in relation to the relevant Series of Carbon ETC Securities resigns or their appointment is terminated pursuant to clauses 17.1 and 17.2 of the relevant Agency Agreement, and no successor Eligible Agent (as defined in the relevant Agency Agreement) has been nominated before the expiry of the 60 calendar day notice period (or such earlier date of expiry calculated pursuant to such clauses) pursuant to clause 17.3 (*Condition to resignation and termination*) of the relevant Agency Agreement;

- (D) the Carbon Counterparty's agreement to act in relation to the relevant Series of Carbon ETC Securities is terminated pursuant to clause 9.1.1 of the relevant Carbon Counterparty Agreement, and no successor Eligible Carbon Counterparty has been nominated before the expiry of the 60 calendar day notice period (or such earlier date of expiry calculated pursuant to such clause) pursuant to clause 9.1.2 (*Condition to termination*) of the relevant Carbon Counterparty Agreement;
- (E) the Programme Administrator resigns or their appointment is terminated pursuant to clauses 8.1 and 8.2 of the Programme Administrator Agreement, and no successor Eligible Programme Administrator (which, for the avoidance of doubt, shall meet the requirements in clause 8.3 of the Programme Administrator Agreement) has been nominated before the expiry of the 60 calendar day notice period pursuant to clause 8.3 (*Condition to resignation and termination*) of the Programme Administrator Agreement; or
- (F) the Custodian in relation to the relevant Series of Carbon ETC Securities resigns or their appointment is terminated pursuant to clauses 10.2 and 10.3 of the relevant Custody Agreement, and no successor Eligible Custodian has been nominated before the expiry of the 60 calendar day notice period (or such earlier date of expiry calculated pursuant to such clauses) pursuant to clause 10.4 (*Condition to resignation and termination*) of the relevant Custody Agreement.

the Issuer shall, in each case, give notice (an "**Agent/Trustee Redemption Event Notice**") to the Transaction Parties and the Securityholders in accordance with Condition 17 (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person). An Early Redemption Event in the form of an "**Agent/Trustee Redemption Event**" will occur on the fourth Business Day following the date of the Agent/Trustee Redemption Event Notice. An Agent/Trustee Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date;

- (iii) if the Value per Carbon ETC Security on three consecutive Valuation Days is less than or equal to eight per cent. of the Issue Price per Carbon ETC Security as at the Series Issue Date (the "**Value per Carbon ETC Security Threshold Level**"), the Determination Agent shall give notice (a "**Value per Carbon ETC Security Threshold Level Notice**") to the Issuer, copied to each of the Transaction Parties. An Early Redemption Event in the form of a "**Value per Carbon ETC Security Threshold Redemption Event**" will occur on the fourth Business Day following the date of the Value per Carbon ETC Security Threshold Level Notice. A Value per Carbon ETC Security Threshold Level Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. The Issuer shall, as soon as reasonably practicable after receipt of a Value per Carbon ETC Security Threshold Level Notice, give notice thereof to the Securityholders in accordance with Condition 17, specifying in such notice the scheduled Early Redemption Valuation Date;
- (iv) an Issuer Call Redemption Event occurs pursuant to Condition 7(c);
- (v) if the Issuer will, or there is a substantial likelihood that it will, on the next date (A) on which there is a sale of Allowance(s) in relation to the Product Fee or in respect of final redemption or early redemption (for the avoidance of doubt, following the occurrence of another Early Redemption Event) of the Carbon ETC Securities or (B) on which a delivery of Allowance(s) is due in respect of a subscription for Carbon ETC Securities of the relevant Series by an Authorised Participant or a buy-back by the Issuer of Carbon ETC Securities of the relevant Series from an Authorised Participant, in each case, be required to make a payment in respect of VAT, UK VAT or Jersey GST (as applicable) or to register for VAT, UK VAT or Jersey GST (as applicable) or otherwise be required to account for VAT, UK VAT or Jersey

GST (as applicable) on such sale or delivery of Allowance(s) (whether or not such VAT, UK VAT or Jersey GST (as applicable) is recoverable); the Issuer may (but is not obliged to) give notice to the Transaction Parties and the Securityholders in accordance with Condition 17 (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person) that all the Carbon ETC Securities of this Series are to be redeemed (a “**VAT Redemption Event Notice**”) and an Early Redemption Event in the form of a “**VAT Redemption Event**” will occur on the fourth Business Day following the date of the VAT Redemption Event Notice, provided that such VAT Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date;

- (vi) if the Issuer becomes entitled to serve a VAT Redemption Event Notice, and the Trustee is notified in writing of such entitlement and directed in writing by Securityholders of at least one-fifth in number of the Carbon ETC Securities then outstanding to give a notice under this Condition 7(d)(vi), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a “**Termination Event Redemption Notice**”, a form of such notice attached in Schedule 2 (*Form of Securityholder Notice and Direction*) of the relevant Agency Agreement) to the Issuer and each of the Transaction Parties. An Early Redemption Event in the form of a “**Termination Event Redemption Event**” will occur on the fourth Business Day following the date of the Termination Event Redemption Notice. A Termination Event Redemption Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. Any direction given to the Trustee pursuant to this Condition 7(d)(vi) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing Agent and the Trustee. The Issuer shall, as soon as reasonably practicable after receipt of a Termination Event Redemption Notice, give notice thereof to the Securityholders in accordance with Condition 17, specifying in such notice the scheduled Early Redemption Valuation Date;
- (vii) if the Programme Administrator determines that an event has occurred by which the euro ceases to be the lawful currency of one or more Euro Member States, the Programme Administrator may (in its sole discretion and without regard to the interests of the Issuer or any other party) give notice (a “**Euro Dissolution Event Notice**”) to the Issuer, copied to each of the Transaction Parties. An Early Redemption Event in the form of an “**Euro Dissolution Redemption Event**” will occur on the fourth Business Day following the date of the Euro Dissolution Event Notice. A Euro Dissolution Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. The Issuer shall, as soon as reasonably practicable after receipt of a Euro Dissolution Event Notice, give notice thereof to the Securityholders in accordance with Condition 17, specifying in such notice the scheduled Early Redemption Valuation Date;
- (viii) if the Issuer becomes aware that some or all of the EUAs constituting the Underlying Allowance(s) have been stolen from the Series Carbon Account, the Issuer shall give notice thereof to the Programme Administrator (such notice, an “**Issuer Theft Event Notice**”) and following receipt of such Issuer Theft Event Notice, the Programme Administrator (A) may (at its sole and absolute discretion and is under no obligation to) attempt to recover (including by instruction to the Custodian and Carbon Accounts Administrator) some or all of such stolen EUAs (and such recovery may be attempted for any period of time up to, and including, the 30<sup>th</sup> Business Day following receipt of such Issuer Theft Event Notice) and/or (B) may, on or prior to the 30<sup>th</sup> Business Day following receipt of such Issuer Theft Event Notice, give notice to the Issuer (a “**PA Theft Event Notice**”) that there remains EUAs which have been stolen from the Series Carbon Account on the date of such PA Theft Event Notice. Following receipt of a PA Theft Event Notice, the Issuer shall give notice to the Transaction Parties and the Securityholders (which notice shall be irrevocable) in accordance with Condition 17 (and, for

the avoidance of doubt, without requiring the consent of the Trustee or any other person) that all the Carbon ETC Securities of this Series are to be redeemed (a “**Theft Redemption Event Notice**”) and an Early Redemption Event in the form of a “**Theft Redemption Event**” will occur on the fourth Business Day following the date of the Theft Redemption Event Notice, provided that such Theft Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. Unless the Carbon Accounts Administrator or Custodian confirms that there are no longer any Underlying Allowance(s) to sell following such theft, any realisation of the Underlying Allowance(s) by the Carbon Counterparty in accordance with Condition 5(d) shall be a realisation of the remaining Underlying Allowance(s);

(ix) if:

- (A) in respect of the Carbon Accounts Administrator, (i) at any time prior to the Scheduled Maturity Date, the Programme Administrator determines that a Carbon Accounts Administrator Bankruptcy Event occurs or (ii) the Issuer (at its option) terminates the appointment of the Carbon Accounts Administrator with immediate effect following a Carbon Accounts Administrator Breach (as defined in the relevant Carbon Accounts Administrator Agreement) pursuant to clause 10.4 (*Bankruptcy and Immediate Termination*) of the relevant Carbon Accounts Administrator Agreement and, in each case, no successor or replacement Eligible Carbon Accounts Administrator has been appointed by the Issuer (x) within 30 calendar days of the date of such Carbon Accounts Administrator Bankruptcy Event (in the case of sub-paragraph (i)) or the date the Carbon Accounts Administrator’s appointment is terminated (in the case of sub-paragraph (ii)) or (y) in either case, by such earlier date as specified by the Programme Administrator;
- (B) in respect of the Issuing Agent or Paying Agent, at any time prior to the Scheduled Maturity Date, (i) the Programme Administrator determines that an Issuing Agent Bankruptcy Event (in respect of the Issuing Agent) or a Paying Agent Bankruptcy Event (in respect of the Paying Agent) occurs or (ii) the Issuer determines that an Agent Agreement Breach (as defined in the relevant Agency Agreement) occurs or (iii) an Issuer/Issuing Agent Regulatory Breach (as defined in the relevant Agency Agreement) occurs (which, for the avoidance of doubt, shall include where the Issuing Agent breaches any applicable laws or regulations or becomes subject to a lawsuit, regulatory action, government investigation, allegation, demand, claim, request, inquiry, sanction, arbitration or proceeding, in each case, that the Issuer reasonably determines could cause reputational harm), and, in each case, no successor or replacement Eligible Agent (as defined in the relevant Agency Agreement) has been appointed by the Issuer (x) within 30 calendar days of the date of the relevant Agent Agreement Breach (as defined in the relevant Agency Agreement), Issuing Agent Bankruptcy Event, Paying Agent Bankruptcy Event or Issuer/Issuing Agent Regulatory Breach (as applicable) or (y) in each case, by such earlier date as specified by the Programme Administrator;
- (C) in respect of the Carbon Counterparty, at any time prior to the Scheduled Maturity Date, the Programme Administrator determines that a Carbon Counterparty Bankruptcy Event occurs with respect to the Carbon Counterparty and the Issuer has not entered into an agreement with a successor or replacement Eligible Carbon Counterparty (x) within 30 calendar days of the date of such Carbon Counterparty Bankruptcy Event or (y) by such earlier date as specified by the Programme Administrator;

- (D) in respect of the Programme Administrator, the Issuer (at its option) terminates the appointment of the Programme Administrator with immediate effect following a Programme Administrator Breach (as defined in the Programme Administrator Agreement) pursuant to clause 8.4 (*Immediate Termination*) of the Programme Administrator Agreement and no successor or replacement Eligible Programme Administrator has been appointed by the Issuer (x) within 30 calendar days of the date the Programme Administrator's appointment is terminated or (y) by such earlier date as specified by the Programme Administrator;
- (E) in respect of the Custodian, (i) at any time prior to the Scheduled Maturity Date, the Programme Administrator determines that a Custodian Bankruptcy Event occurs; (ii) the Custodian notifies the Issuer and the Programme Administrator that a Custodian Illegality Event has occurred; (iii) the Issuer (at its option) terminates the appointment of the Custodian with immediate effect following a Custodian Breach (as defined in the relevant Custody Agreement); (iv) the Custodian notifies the Issuer of a Custody Agreement AML Breach in accordance with clause 10.5.4 of the relevant Custody Agreement or (v) if a Custodian Disrepute Event occurs pursuant to clause 10.5 (*Bankruptcy, Immediate Termination and other events*) of the relevant Custody Agreement and, in each case, no successor or replacement Eligible Custodian has been appointed by the Issuer (x) within 30 calendar days of the date of such Custodian Bankruptcy Event (in the case of sub-paragraph (i)), the date of such Custodian Illegality Event (in the case of sub-paragraph (ii)), the date the Custodian's appointment is terminated (in the case of sub-paragraph (iii)), the date the Custodian notifies the Issuer of a Custody Agreement AML Breach (in the case of sub-paragraph (iv)) or the date of determination of a Custodian Disrepute Event (in the case of sub-paragraph (v)) or (y) in each case, by such earlier date as specified by the Programme Administrator; or
- (F) in respect of the Trustee, (i) at any time prior to the Scheduled Maturity Date, the Programme Administrator determines that a Trustee Bankruptcy Event occurs or (ii) the Issuer (at its option) terminates the appointment of the Trustee with immediate effect following a Trustee Breach (as defined in the relevant Trust Deed) pursuant to clause 13.3 (*Bankruptcy and Immediate Termination*) of the relevant Trust Deed and, in each case, no successor or replacement trustee has been appointed by the Issuer (x) within 30 calendar days of the date of such Trustee Bankruptcy Event (in the case of sub-paragraph (i)) or the date the Trustee's appointment is terminated (in the case of sub-paragraph (ii)) or (y) in either case, by such earlier date as specified by the Programme Administrator,

the Issuer shall, in each case, give notice thereof to the Transaction Parties and the Securityholders (which notice shall be irrevocable) in accordance with Condition 17 (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person) that all the Carbon ETC Securities of this Series are to be redeemed (an "**Agent Bankruptcy/Breach Redemption Event Notice**") and an Early Redemption Event in the form of an "**Agent Bankruptcy/Breach Redemption Event**" will occur on the fourth Business Day following the date of the Agent Bankruptcy/Breach Redemption Event Notice, provided that such Agent Bankruptcy/Breach Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date;

- (x) if the Programme Administrator determines (in its sole discretion and without regard to any related determination by any of the other parties or any action taken, omitted to be taken or suffered to be taken by any other person, including, without limitation, any creditor of the other parties) that there is a proposal to change, or that there has been an adoption of any

change in, any applicable policies (including the EU emissions policy) or law or the electronic accounting systems impacting the EUAs constituting the Underlying Allowance(s) or the Union Registry after the Series Issue Date as a result of which it becomes unlawful for (x) the Issuer or the Carbon Accounts Administrator (acting on the Issuer's behalf) to perform any absolute or contingent obligation to instruct or procure a delivery in respect of the EUAs constituting the Underlying Allowance(s) or any agreement entered into in connection with the EUAs constituting the Underlying Allowance(s); or (y) the Issuer to comply with any other material provision of any agreement entered into in connection with the EUAs constituting the Underlying Allowance(s) (in each case, an **"EUA Regulatory Event"**), the Issuer shall give notice thereof to the Transaction Parties and the Securityholders (which notice shall be irrevocable) in accordance with Condition 17 (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person) that all the Carbon ETC Securities of this Series are to be redeemed (an **"EUA Regulatory Redemption Event Notice"**) and an Early Redemption Event in the form of an **"EUA Regulatory Redemption Event"** will occur on the fourth Business Day following the date of the EUA Regulatory Redemption Event Notice, provided that such EUA Regulatory Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date;

- (xi) if "Early Redemption: Ineligibility for Phase IV" is specified as applicable in the relevant Final Terms of a Series of Carbon ETC Securities and if the Programme Administrator determines that, following an announcement, change in law or regulation or confirmation by the European Council or Commission, EUAs issued in Phase III (1 January 2013 to 31 December 2020) of the EU ETS will not be eligible for compliance with obligations under Phase IV (1 January 2021 to 31 December 2030) of the EU ETS, the Programme Administrator may (in its sole discretion and without regard to the interests of the Issuer or any other party) give notice (a **"Phase IV Ineligibility Event Notice"**) to the Issuer, copied to each of the Transaction Parties. An Early Redemption Event in the form of a **"Phase IV Ineligibility Redemption Event"** will (for the avoidance of doubt, without requiring the consent of the Trustee or any other person) occur on the fourth Business Day following the date of the Phase IV Ineligibility Event Notice, provided that such Phase IV Ineligibility Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. The Issuer shall, as soon as reasonably practicable after receipt of a Phase IV Ineligibility Event Notice, give notice thereof to the Securityholders in accordance with Condition 17, specifying in such notice the scheduled Early Redemption Valuation Date;
- (xii) if the Scheme is, as a result of official written public pronouncement by the European Community, no longer scheduled to proceed or is to be discontinued (an **"Abandonment of Scheme"**), the Issuer shall give notice thereof to the Transaction Parties and the Securityholders (which notice shall be irrevocable) in accordance with Condition 17 (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person) that all the Carbon ETC Securities of this Series are to be redeemed (an **"Abandonment of Scheme Redemption Event Notice"**) and an Early Redemption Event in the form of an **"Abandonment of Scheme Redemption Event"** will occur on the fourth Business Day following the date of the Abandonment of Scheme Redemption Event Notice, provided that such Abandonment of Scheme Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date;
- (xiii) if the Series Carbon Account is closed (or required to be closed) or the Registry Agreement is terminated and a replacement or successor account or agreement (as applicable) has not yet been opened or entered into, the Programme Administrator may (in its sole discretion and without regard to the interests of the Issuer or any other party) give notice (a **"Carbon Accounts Closure Redemption Event Notice"**) to the Issuer, copied to each of the Transaction Parties. An Early Redemption Event in the form of a **"Carbon Accounts Closure**

**Redemption Event**” will occur on the fourth Business Day following the date of the Carbon Accounts Closure Redemption Event Notice, provided that such Carbon Accounts Closure Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. The Issuer shall, as soon as reasonably practicable after receipt of a Carbon Accounts Closure Redemption Event Notice, give notice thereof to the Securityholders in accordance with Condition 17, specifying in such notice the scheduled Early Redemption Valuation Date; and

- (xiv) if the Programme Administrator determines that an Emissions Disruption Event has occurred, the Programme Administrator may (at any time following the occurrence of such Emissions Disruption Event and acting in its sole discretion and without regard to the interests of the Issuer or any other party) give notice to the Issuer, copied to each of the Transaction Parties (and, for the avoidance of doubt, without requiring the consent of the Trustee or any other person) that all the Carbon ETC Securities of this Series are to be redeemed (an “**Emissions Disruption Redemption Event Notice**”). An Early Redemption Event in the form of an “**Emissions Disruption Redemption Event**” will occur on the fourth Business Day following the date of the Emissions Disruption Redemption Event Notice. An Emissions Disruption Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. The Issuer shall, as soon as reasonably practicable after receipt of an Emissions Disruption Redemption Event Notice, give notice thereof to the Securityholders in accordance with Condition 17, specifying in such notice the scheduled Early Redemption Valuation Date.

For the avoidance of doubt and notwithstanding Condition 8(b)(iv) (Disruption Event and Determination of Disrupted Days), the Programme Administrator’s option to deliver an Emissions Disruption Redemption Event Notice pursuant to this sub-paragraph (xiv) shall be independent of (A) its delivery of a Disruption Event Notice pursuant to Condition 8 (Disruption Events and Postponement); (B) its receipt of a notice from the Carbon Counterparty (pursuant to the relevant Carbon Counterparty Agreement and Conditions 7(a) or 7(b)) that a Disrupted Offer Event, a Disrupted Disposal Period Event, a Disrupted Remaining Sale/Purchase Event or a Disrupted Settlement Event has occurred or (C) any other notification by it or by another Transaction Party pursuant to any other provision under the Conditions or the Transaction Documents that an Emissions Disruption 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 Carbon ETC Securities.

All Carbon ETC Securities purchased by or on behalf of the Issuer shall be cancelled. Any Carbon ETC Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Carbon ETC Securities shall be discharged. In accordance with each Security Document, the Trustee will and will be deemed to release without the need for any action, notice or other formalities from such Security the relevant portion of the Secured Property relating to the Carbon ETC Securities so purchased and cancelled, including such releases as are necessary to make any related deliveries and payments under an Authorised Participant Agreement or other similar buy-back agreement with any person.

In respect of a valid Buy-Back Order, notwithstanding anything to the contrary, delivery of a number of Allowance(s) equal to the relevant Buy-Back Redemption Amount by the Issuer (or the Carbon Accounts Administrator acting on behalf of the Issuer) (by instruction to the Custodian) to the relevant Authorised Participant in respect of such Buy-Back Order of any Carbon ETC Securities shall be made only following receipt by the Issuer of a confirmation from the Issuing Agent (such confirmation copied to the Programme Administrator, the Custodian and Carbon Accounts



Administrator) that delivery of the relevant Carbon ETC Securities relating to such Buy-Back Order to the Issuer has settled. For the avoidance of doubt, Buy-Back Orders may only be requested by an Authorised Participant.

## 8 Disruption Events and Postponement

### (a) **Disruption Events**

Each of the Determination Agent (in relation to Allowance(s) Reference Price Source Disruptions and Force Majeure Disruption Events only) and the Programme Administrator (in relation to any Disruption Event) may (but is not obliged to), with respect to any Scheduled Valuation Day, determine that one or more Disruption Events has occurred or exists.

For these purposes:

**“Allowance(s) Reference Price Source Disruption”** means, with respect to any Allowance(s) Business Day, the Allowance(s) Reference Price is not determined and published by the Allowance(s) Reference Price Source within the time period that such rate is customarily determined and displayed (unless the Programme Administrator agrees to use such rate notwithstanding that it was determined and/or published later than is customary).

**“Disruption Event”** means, in respect of a Scheduled Valuation Day, the occurrence or existence of an Allowance(s) Reference Price Source Disruption, a Force Majeure Disruption Event or an Emissions Disruption Event on that Scheduled Valuation Day.

**“Carbon Accounts Closure Event”** means the Series Carbon Account is closed (or required to be closed) or the Registry Agreement is terminated and a replacement or successor account or agreement (as applicable) has not yet been opened or entered into, for such time until either (i) a replacement or successor has been opened or entered into or (ii) a Carbon Accounts Closure Redemption Event Notice has been given.

**“Central Administrator”** means the person designated by the EU Commission to operate and maintain the EUTL pursuant to Article 20(1) of the EU ETS Directive.

**“Emissions Administrator Event”** means the suspension of some or all of the processes of a relevant Registry, the EUTL or, if applicable, the LSTL in accordance with the Registries Regulation by the relevant National Administrator or the Central Administrator (as applicable) (i) where that Relevant Registry is not operated and maintained in accordance with the provisions of the Registries Regulation, or any other applicable law, or (ii) for the purpose of carrying out scheduled or emergency maintenance, or (iii) where there has been or following reasonable suspicion of, a breach of security which threatens the integrity of the registries system (including any back up facilities), or (iv) where the mutual recognition of EUAs under a relevant Linking Agreement has been suspended in accordance with the terms of such Linking Agreement.

**“Emissions Disruption Event”** means a Settlement Disruption Event, an Emissions Suspension Event, a Failure to Deliver, a Failure to Comply or a Carbon Accounts Closure Event.

**“Emissions Suspension Event”** means a party is unable to perform its delivery or acceptance obligations under and in accordance with the Conditions and the Scheme through a Relevant Registry as a result of any of the following events: (i) the absence of Registry Operation; or (ii) the occurrence of an Emissions Administrator Event. For the avoidance of doubt, reference to the “party” for purposes of an Emissions Suspension Event shall include the Custodian (acting on behalf of the Issuer).

**“EUTL”** means the independent transaction log provided for in Article 20(1) of the Directive, the operation of which is further detailed in Article 5 of the Registries Regulation.

**“Failure to Comply”** means the Issuer or the Carbon Counterparty (as applicable) fails to deliver all of the relevant number of EUAs comprising the Underlying Allowance(s) to be delivered under and in accordance with the Conditions as a result of the failure of the receiving party to comply with the Requirements under the Scheme and such failure is other than as a result of a Settlement Disruption Event, an Emissions Suspension Event or a Carbon Accounts Closure Event. For the avoidance of doubt, reference to the “Issuer” for purposes of a Failure to Comply shall include the Custodian (acting on behalf of the Issuer).

**“Failure to Deliver”** means the Issuer or the Carbon Counterparty (as applicable) fails to deliver all of the relevant number of EUAs comprising the Underlying Allowance(s) to be delivered under and in accordance with the Conditions and such failure occurs other than as a result of a Failure to Comply, a Settlement Disruption Event, an Emissions Suspension Event or a Carbon Accounts Closure Event. For the avoidance of doubt, reference to the “Issuer” for purposes of a Failure to Deliver shall include the Custodian (acting on behalf of the Issuer).

**“Force Majeure Disruption Event”** means, in respect of any Scheduled Valuation Day, by reason of an event or circumstance beyond the control of the Determination Agent, including by reason of a technical or operational issue, it is impossible for the Determination Agent to perform its obligations under the Determination Agent Agreement that are required to be performed for the Allowance(s) Entitlement per Carbon ETC Security and the Value per Carbon ETC Security to be determined in respect of such Scheduled Valuation Day.

**“Linking Agreement”** means an agreement between the European Union and a non-Member State on the linking of their greenhouse gas emissions trading systems as envisaged under Article 25 of the EU ETS Directive and which has entered into force in accordance with its terms, as amended from time to time.

**“LSTL”** means a transaction log of a non-Member State that is linked to the EUTL under the terms of a relevant Linking Agreement.

**“Luxembourg Account Administrator”** means the entity responsible for administering, on behalf of The Grand Duchy of Luxembourg, a set of user accounts under the jurisdiction of The Grand Duchy of Luxembourg in the Union Registry as designated in accordance with Article 7 of the Registries Regulation, being the Luxembourg Ministry of the Environment, Climate and Sustainable Development (*Ministère de l’Environnement, du Climat et du Développement durable*) as at the date of this Base Prospectus.

**“Registry Agreement”** means the agreement between the Custodian and the National Administrator of the Grand Duchy of Luxembourg governing the operation of the Series Carbon Account.

**“Registry Operation”** means, other than by reason of the occurrence of an Emissions Administrator Event:

- (i) the establishment of and continuing functioning of the Relevant Registry;
- (ii) the establishment of and continuing functioning of the EUTL;
- (iii) the establishment of and continuing functioning of the link between each of the Relevant Registry and the EUTL; and/or
- (iv) the continued functioning of the link between each of the LSTL and the EUTL.

**“Relevant Authority”** means any authority having power pursuant to the EU ETS Directive and/or the Registries Regulation to administer the Scheme, including the Central Administrator and each National Administrator as those terms are defined in the Registries Regulation.

**“Requirements under the Scheme”** means, in respect of a receiving party, each of the following requirements:

- (i) ensuring that on a delivery date, it has one or more Holding Accounts validly registered in accordance with the Registries Regulation; and
- (ii) conducting its affairs so as not to give any Relevant Authority cause to block, suspend, refuse, reject or cancel the transfer (whether in whole or in part) of EUAs requested to be made pursuant to and in accordance with the Conditions.

**“Settlement Disruption Event”** means an event or circumstance beyond the control of the party affected that cannot, after the use of all reasonable efforts, be overcome and which makes it impossible for that party to perform its obligations either to deliver or to accept EUAs. For the avoidance of doubt, reference to the “party” for purposes of a Settlement Disruption Event shall include the Custodian (acting on behalf of the Issuer).

(b) ***Disruption Event and Determination of Disrupted Days***

- (i) If the Determination Agent determines that an Allowance(s) Reference Price Source Disruption or a Force Majeure Disruption Event has occurred or exists with respect to any Scheduled Valuation Day, the Determination Agent shall give notice of its determination to the Issuer (copied to each Transaction Party) specifying the Allowance(s) Reference Price Source Disruption or Force Majeure Disruption Event (as the case may be) which has occurred or is existing (such notice a **“Disruption Event Notice”**). The Determination Agent is not under any obligation to monitor whether or not a Disruption Event other than an Allowance(s) Reference Price Source Disruption or Force Majeure 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 Determination Agent Agreement.
- (ii) If the Programme Administrator determines that a Disruption Event (including an Emissions Disruption Event, as applicable) has occurred or exists with respect to any Scheduled Valuation Day, such person shall give notice of its determination to the Issuer (copied to each Transaction Party) specifying the Disruption Event or Disruption Events which have occurred or are existing (such notice a **“Disruption Event Notice”**). No such person is 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.
- (iii) The Issuer shall, as soon as reasonably practicable after receipt by it of a Disruption Event Notice, publish notice thereof on the website maintained on behalf of the Issuer at [www.etf.dws.com](http://www.etf.dws.com) (or such other website as may be notified to Securityholders in accordance with Condition 17 from time to time).
- (iv) The Carbon Counterparty may, pursuant to the relevant Carbon Counterparty Agreement and in respect of any Disruption Event, notify the Programme Administrator and the Determination Agent if it determines that such event has occurred. Any such notice by the Carbon Counterparty shall include a copy, or a description in reasonable detail, of the relevant information that reasonably confirms the facts relevant to the determination that a Disruption Event has occurred, and where applicable, which have been published in or on not less than two published or electronically displayed news sources.

The Determination Agent (in respect of an Allowance(s) Reference Price Source Disruption or a Force Majeure Disruption Event) and the Programme Administrator (in respect of a Disruption Event, including an Emissions Disruption Event) shall, in each case, acting in good

faith and in a commercially reasonable manner (and, where the Disruption Event set out in such notice is a Failure to Comply by the Carbon Counterparty or a Settlement Disruption Event affecting the Carbon Counterparty (in each case, a “**Carbon CP Specified Disruption Notice**”), acting in good faith and in a commercially reasonable manner with respect to the Carbon Counterparty (the “**Carbon CP Determination Standard**”)), take any such notice from the Carbon Counterparty into account in its determination of the occurrence of the relevant Disruption Event. For the avoidance of doubt, the Programme Administrator shall not use the Carbon CP Determination Standard for the purposes of any other determination (including with respect to a Failure to Comply or Settlement Disruption Event where no Carbon CP Specified Disruption Notice was delivered).

- (v) For the avoidance of doubt, delivery of a Disruption Event Notice by the Programme Administrator pursuant to Condition 8 shall be independent of its option to deliver an Emissions Disruption Redemption Event Notice.

(c) ***Postponement of Final Redemption Valuation Date or Early Redemption Valuation Date and Payment of Final Redemption Amount or Early Redemption Amount***

- (i) If the Final Redemption Valuation Date or Early Redemption Valuation Date, as applicable, is a Disrupted Day, then the Final Redemption Valuation Date or Early Redemption Valuation Date (as applicable) shall be deemed to have been postponed until the first following Valuation Day that is not a Disrupted Day; provided that if no such Valuation Day has occurred on or before the 90<sup>th</sup> Scheduled Valuation Day following the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, then that 90<sup>th</sup> Scheduled Valuation Day shall be deemed to be the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, and the Programme Administrator will determine, in its sole and absolute discretion (but acting in good faith and in a commercially reasonable manner) the Allowance(s) Entitlement per Carbon ETC Security in respect of such Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, in such manner and upon such terms as the Programme Administrator shall think fit including, without limitation, by applying the relevant formula for the determination thereof but using such estimates of any component for which a value is not available as it deems fit and making such adjustments as it, in good faith and a commercially reasonable manner, deems necessary to take into account the economic effect of the Disrupted Days on and since the scheduled Early Redemption Valuation Date or scheduled Final Redemption Valuation Date, as the case may be (such determination by the Programme Administrator, the “**Fallback Valuation Date Determination**”). For the avoidance of doubt, the Programme Administrator may determine that the Allowance(s) Entitlement per Carbon ETC Security in respect of such Final Redemption Valuation Date or Early Redemption Valuation Date is zero. If the Programme Administrator has not notified such Allowance(s) Entitlement per Carbon ETC Security to the Issuer and the Determination Agent by the time to be agreed between them, then the Allowance(s) Entitlement per Carbon ETC Security for the Early Redemption Valuation Date or Final Redemption Valuation Date, as the case may be, shall be deemed to be the last determined Allowance(s) Entitlement per Carbon ETC Security.
- (ii) The Issuer or the Programme Administrator (or an agent on its behalf) shall publish the Allowance(s) Entitlement per Carbon ETC Security for the Final Redemption Valuation Date or the Early Redemption Valuation Date (as applicable) determined in accordance with Condition 8(c)(i) by no later than 4.00 p.m. London time on the Business Day immediately following the date on which such Allowance(s) Entitlement per Carbon ETC Security is determined on the website maintained on behalf of the Issuer at [www.etf.dws.com](http://www.etf.dws.com) (or such

other website as may be notified to Securityholders in accordance with Condition 17 from time to time).

(iii) If:

- (A) following postponement of the Final Redemption Valuation Date or Early Redemption Valuation Date (as applicable) in accordance with this Condition 8(c), (I) any day of the Early Redemption Disposal Period or Final Redemption Disposal Period (as applicable) falls after the original Scheduled Maturity Date and/or (II) the number of clear days between the last day of the Early Redemption Disposal Period or Final Redemption Disposal Period (as applicable) and the original Scheduled Maturity Date is less than seven Business Days; and/or
- (B) the Early Redemption Valuation Date or Final Redemption Valuation Date (as postponed in accordance with this Condition 8(c)) falls on a date after the original Scheduled Maturity Date, then, in each case, the Programme Administrator may, by notice (a “**Maturity Postponement Notice**”) to the Determination Agent by the sixth Business Day prior to the original Scheduled Maturity Date postpone the Scheduled Maturity Date by the number of days specified in such Maturity Postponement Notice, which number of days shall be determined by the Programme Administrator in its sole and absolute discretion.

The Issuer shall, as soon as reasonably practicable following receipt of a Maturity Postponement Notice, notify Securityholders of such postponement in accordance with Condition 17. No additional amount shall be payable to Securityholders in connection with any postponement of the payment of the Final Redemption Amount or Early Redemption Amount, as applicable.

(d) ***Disruption Events in respect of the sale and purchase of Allowance(s)***

(i) *No obligation to accept offer of sale in certain circumstances*

The Determination Agent shall not be required to notify the Issuer of the Allowance(s) Sale Request Details, the Issuer shall not be required to deliver an Allowance(s) Sale Request Notice and the Carbon Counterparty shall not be required to accept an offer of a sale of Allowance(s) from the Issuer in accordance with Condition 5(d)(i) (*Sale and Purchase of Underlying Allowance(s) following an Early Redemption Valuation Date or Final Redemption Valuation Date*) if (i) a Disruption Event occurs on the day the Allowance(s) Sale Request Notice is received by the Carbon Counterparty; (ii) the Programme Administrator and the Carbon Counterparty agree (such agreement not unreasonably withheld) that a Disruption Event (including an Emissions Disruption Event) is likely to subsist on every day during the Redemption Disposal Period such that the relevant Allowance(s) cannot be sold by the Issuer or purchased by the Carbon Counterparty (or it is not practicable to sell or purchase such Allowance(s)); (iii) an Abandonment of Scheme Redemption Event Notice has been delivered by the Issuer pursuant to Condition 7(d)(xii); (iv) the Carbon Counterparty notifies the Issuer (copied to the Programme Administrator, the Custodian, the Determination Agent and Carbon Accounts Administrator) on or prior to the day it receives the Allowance(s) Sale Request Notice, that a Carbon CP Illegality Event has occurred, pursuant to the relevant Carbon Counterparty Agreement; (v) a Carbon Accounts Closure Redemption Event Notice has been delivered by the Issuer pursuant to Condition 7(d)(xiii); (vi) an Agent/Trustee Redemption Event Notice has been delivered by the Issuer pursuant to Condition 7(d)(ii)(D) where no successor Eligible Carbon Counterparty has been appointed or Condition 7(d)(ii)(F) where no successor Eligible Custodian has been appointed; (vii) an Issuer Redemption Notice has been delivered by the Issuer pursuant to Condition 7(d)(i) following the occurrence of an Issuer Illegality Event; (viii) an Agent Bankruptcy/Breach Redemption Event Notice has

been delivered by the Issuer pursuant to Condition 7(d)(ix)(C) where no successor or replacement Eligible Carbon Counterparty has been appointed or Condition 7(d)(ix)(E) where no successor or replacement Eligible Custodian has been appointed or (ix) an EUA Regulatory Redemption Event Notice has been delivered by the Issuer pursuant to Condition 7(d)(x) (in each case, a “**Disrupted Offer Event**”).

If a Disrupted Offer Event occurs, the relevant Underlying Allowance(s) shall not be sold to the Carbon Counterparty and satisfaction of the Early Redemption Amount or Final Redemption Amount (as applicable) shall be determined by the Programme Administrator in accordance with Condition 7(a) and 7(b) (as applicable).

(ii) *Disruption during Redemption Disposal Period*

(A) *No Purchases of Underlying Allowance(s) on a Disrupted Day*

Following the Carbon Counterparty’s acceptance of an offer of sale pursuant to relevant Carbon Counterparty Agreement, the Carbon Counterparty may purchase the Underlying Allowance(s) specified in the corresponding Allowance(s) Sale Request Notice from the Issuer (in single or multiple transactions) on any Business Day during the Redemption Disposal Period, provided that no Disruption Event subsists on such day such that the relevant Allowance(s) cannot be sold by the Issuer or purchased by the Carbon Counterparty (or it is not practicable to sell or purchase such Allowance(s)).

(B) *Disrupted Disposal Period Event*

If a Disruption Event subsists on every day during the relevant Redemption Disposal Period such that the relevant Allowance(s) cannot be sold by the Issuer or purchased by the Carbon Counterparty (or it is not practicable to sell or purchase such Allowance(s)) (a “**Disrupted Disposal Period Event**”), the relevant Underlying Allowance(s) shall not be sold to the Carbon Counterparty and satisfaction of the Early Redemption Amount or Final Redemption Amount (as applicable) shall be determined by the Programme Administrator in accordance with Condition 7(a) and 7(b) (as applicable).

(C) *Disrupted Remaining Sale/Purchase Event*

Provided that the Carbon Counterparty has acted in good faith and in a commercially reasonable manner in respect of the sale and purchase of Underlying Allowance(s) with a view to purchasing all Underlying Allowance(s) specified in the corresponding Allowance(s) Sale Request Notice by the end of the last day of the Redemption Disposal Period, if on the last day of the Redemption Disposal Period which is a Business Day:

- (I) there are relevant remaining Underlying Allowance(s) in respect of which Price Confirmation Notice(s) have not yet been delivered by the Carbon Counterparty pursuant to the relevant Carbon Counterparty Agreement; and
- (II) any or all of the following apply:
  - (1) a Disruption Event subsists on such day such that the relevant remaining Underlying Allowance(s) specified in the corresponding Allowance(s) Sale Request Notice cannot be sold by the Issuer or purchased by the Carbon Counterparty (or it is not practicable to sell or purchase such Allowance(s)) on such day;

- (2) the Programme Administrator and the Carbon Counterparty agree that such Underlying Allowance(s) remain as a direct result of the exercise of a Carbon CP Suspension Election;
- (3) the Programme Administrator and the Carbon Counterparty agree (such agreement not to be unreasonably withheld) that such Underlying Allowance(s) remain as a direct result of a temporary or permanent disruption to the Allowance(s) market such that the Carbon Counterparty is unable to (x) purchase Allowance(s) from the Issuer or (y) sell an equivalent quantity of Allowance(s) to other parties at a market price, in each case, in the volumes required during the relevant Redemption Disposal Period;
- (4) the Programme Administrator and the Carbon Counterparty agree (such agreement not to be unreasonably withheld) that such Underlying Allowance(s) remain because the performance by the Carbon Counterparty of its obligations (excluding this provision) would cause the Carbon Counterparty to breach or contribute to the Carbon Counterparty breaching position limits imposed on the Carbon Counterparty in respect of Allowance(s) due to the adoption of, or change in the reasonable interpretation of, any applicable law, regulation, rule, order, ruling or procedure;
- (5) the Programme Administrator and the Carbon Counterparty agree that such Underlying Allowance(s) remain as a direct result of an Abandonment of Scheme;
- (6) the Carbon Counterparty notifies the Issuer (copied to the Programme Administrator, the Custodian, the Determination Agent and the Carbon Accounts Administrator) that a Carbon CP Illegality Event has occurred during the relevant Redemption Disposal Period and the Programme Administrator and the Carbon Counterparty agree that such Underlying Allowance(s) remain as a direct result of such Carbon CP Illegality Event;
- (7) the Programme Administrator and the Carbon Counterparty agree that such Underlying Allowance(s) remain as a direct result of a Carbon CP Replacement Failure or a Carbon CP Bankruptcy Replacement Failure;
- (8) the Programme Administrator and the Carbon Counterparty agree that such Underlying Allowance(s) remain as a direct result of a Custodian Replacement Failure or a Custodian Bankruptcy/Breach/Illegality Replacement Failure; or
- (9) the Programme Administrator and the Carbon Counterparty agree that such Underlying Allowance(s) remain as a direct result of an Issuer Illegality Event or an EUA Regulatory Event,

such event, a “**Disrupted Remaining Sale/Purchase Event**”, the relevant Underlying Allowance(s) shall not be sold to the Carbon Counterparty and satisfaction of the Early Redemption Amount or Final Redemption Amount (as applicable) shall be determined by the Programme Administrator in accordance with Condition 7(a) and 7(b) (as applicable).

(iii) *No Settlement of Underlying Allowance(s) on a Disrupted Day*

If no Disruption Event subsisted at the time on which a Price Confirmation Notice was delivered by the Carbon Counterparty to the Issuer for the purposes of purchasing Underlying Allowance(s) from the Issuer but a Disruption Event (including, for the avoidance of doubt, an Emissions Disruption Event) subsequently occurs on such day at the time of transfer of the relevant number of Confirmed Underlying Allowance(s) to the Carbon Counterparty's specified carbon account such that the sale and purchase of the relevant Confirmed Underlying Allowance(s) cannot be settled (or it is not practicable to effect such settlement), the Carbon Counterparty shall notify the Issuer, the Programme Administrator and the other parties pursuant to the relevant Carbon Counterparty Agreement as soon as reasonably practicable.

Following the Programme Administrator's receipt of such notice and subject to a Carbon CP Suspension Election, the Issuer, the Programme Administrator, the Carbon Accounts Administrator and the Carbon Counterparty shall agree for the transfer of the relevant number of Confirmed Underlying Allowance(s) and for corresponding payment of Net Sale Proceeds, in each case, to be made on another day for purposes of settling the sale and purchase of such Allowance(s) (and such day of payment of Net Sale Proceeds by the Carbon Counterparty to the Issuer shall be deemed the Relevant Underlying Allowance(s) Payment Date), provided that (x) such deemed Relevant Underlying Allowance(s) Payment Date falls on or prior to the Settlement Long-Stop Date, (y) no Disruption Event subsists on the day the relevant number of Confirmed Underlying Allowance(s) are transferred and (z) no Abandonment of Scheme, Carbon CP Illegality Event (as notified by the Carbon Counterparty pursuant to the relevant Carbon Counterparty Agreement), Carbon CP Replacement Failure, Carbon CP Bankruptcy Replacement Failure, Custodian Replacement Failure, Custodian Bankruptcy/Breach/Illegality Replacement Failure, Issuer Illegality Event or EUA Regulatory Event occurs between the original date of transfer of the relevant number of Confirmed Underlying Allowance(s) to the Carbon Counterparty and the amended date the relevant number of Confirmed Underlying Allowance(s) are transferred. For the avoidance of doubt, where such attempt to re-settle the sale and purchase of the Allowance(s) fails due to an event pursuant to sub-paragraph (z), such Allowance(s) may become subject to a Disrupted Remaining Sale/Purchase Event and where such re-settlement fails due to an event pursuant to sub-paragraph (y), such Allowance(s) may become subject to a Disrupted Settlement Event (and if a Disrupted Remaining Sale/Purchase Event or Disrupted Settlement Event occurs, the relevant Underlying Allowance(s) shall not be sold to the Carbon Counterparty and satisfaction of the Early Redemption Amount or Final Redemption Amount (as applicable) shall be determined by the Programme Administrator in accordance with Condition 7(a) and 7(b) (as applicable)).

If the settlement for the sale and purchase of such Allowance(s) failed due to a Failure to Deliver, the Carbon Counterparty may suspend further deliveries of Price Confirmation Notice(s) up to, and including, the day on which such Failure to Deliver is resolved (if exercised, a "**Carbon CP Suspension Election**"). Such suspension shall cease following resolution of such Failure to Deliver.

If, following the disrupted settlement on the original date on which the relevant number of Confirmed Underlying Allowance(s) were to be transferred, a Disruption Event (including, for the avoidance of doubt, a Failure to Deliver) subsists on every day up to, and including, the last day of the relevant Redemption Disposal Period, such that the sale and purchase of the relevant Confirmed Underlying Allowance(s) cannot be settled (or it is not practicable to effect such settlement) (such event, a "**Disrupted Settlement Event**"), the Issuer and the Carbon Counterparty shall not continue to attempt settlement of such Allowance(s) and satisfaction



of the Early Redemption Amount or Final Redemption Amount (as applicable) shall be determined by the Programme Administrator in accordance with Condition 7(a) and 7(b) (as applicable).

For the avoidance of doubt, a Disrupted Settlement Event and a Disrupted Remaining Sale/Purchase Event may occur in parallel.

## **9 Successor Price Source, Replacement Price Source and related Amendments**

### **(a) Successor Reference Rate and Successor Price Source**

If on any day the Programme Administrator determines that a Reference Rate has been replaced by a successor reference rate acceptable to the Programme Administrator (in circumstances other than where there has been a Reference Rate Event), then the Programme Administrator will notify the Issuer of such determination (each such notice will be copied to each Transaction Party), and such successor reference rate (the “**Successor Reference Rate**”) shall be deemed to be such Reference Rate for the purposes of the Carbon ETC Securities but provided that it shall not affect any calculations or determinations already made using the Reference Rate as it applied immediately prior to such succession. The Issuer shall notify the Securityholders in accordance with Condition 17 as soon as reasonably practicable after receipt of any such notice from a determining party of the replacement of a Reference Rate with a Successor Reference Rate.

In addition, if on any day the Programme Administrator determines that a Price Source relating to a Reference Rate no longer displays such Reference Rate notwithstanding that such Reference Rate continues to be determined, then the Programme Administrator will notify the Issuer of such determination (each such notice will be copied to each Transaction Party) and shall specify a replacement Price Source that does display such Reference Rate, and such successor price source (the “**Successor Price Source**”) shall be deemed to be the relevant Price Source for such Reference Rate for the purposes of the Carbon ETC Securities but provided that it shall not affect any calculations or determinations already made. The Issuer shall notify the Securityholders in accordance with Condition 17 as soon as reasonably practicable after receipt of any such notice from a determining party of the replacement of a Reference Rate with a Successor Reference Rate.

### **(b) Replacement Reference Rate**

If, in respect of this Series of Carbon ETC Securities, the Programme Administrator determines that a Reference Rate Event has occurred in respect of a Reference Rate and gives notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (such notice, the “**Reference Rate Event Notice**”), then:

- (i) promptly upon receiving the Reference Rate Event Notice, the Issuer shall deliver a notice containing the same details to each other Transaction Party) and, in accordance with Condition 17, the Securityholders;
- (ii) the Programme Administrator shall attempt to identify a Replacement Reference Rate as soon as reasonably practicable and, where applicable, shall attempt to identify a replacement Price Source for such Replacement Reference Rate;
- (iii) the Programme Administrator shall determine whether any adjustments need to be made to the Replacement Reference Rate in order to reduce or eliminate, to the extent reasonably practicable, any increase or reduction in value that will be received by the Securityholders as a result of replacement of the Reference Rate with the Replacement Reference Rate (an “**Adjustment Spread**”);

- (iv) if the Programme Administrator identifies a Replacement Reference Rate pursuant to paragraph (ii) above and determines an Adjustment Spread pursuant to paragraph (iii) above:
  - (A) the Programme Administrator shall determine the day from which the Replacement Reference Rate shall replace the Reference Rate, which shall be as soon as reasonably practicable on or following the delivery of the Reference Rate Event Notice and such Replacement Reference Rate (subject to any Adjustment Spread) shall replace the Reference Rate from such date and the Price Source for such Replacement Reference Rate shall be that determined by the Programme Administrator;
  - (B) the Programme Administrator shall deliver a notice to the Issuer and the Trustee which specifies any Replacement Reference Rate, any Adjustment Spread and any related amendments (such notice, the “**Replacement Details Notice**”) and, promptly upon receiving the Replacement Details Notice, the Issuer shall deliver a notice containing the same details to the other Transaction Parties) and, in accordance with Condition 17, the Securityholders.

None of the Issuer, the Programme Administrator, the Determination Agent or the Trustee (or any other Transaction Party) shall have any duty to monitor, enquire or satisfy itself as to whether any Reference Rate Event has occurred.

Notwithstanding the above, the Programme Administrator may determine that in its opinion no such replacement of the Reference Rate is needed on the basis that such replacement would not have a material benefit to the ongoing operation of the Carbon ETC Securities of such Series.

(c) **Amendments**

In respect of any successor or replacement Reference Rate determined pursuant to Condition 9(a) or (b) above, and subject to such Conditions, the Issuer shall be entitled without the consent of the Securityholders, the Trustee or any other person (but, save for the Conditions and any Final Terms, with the consent of any other party to that Transaction Document where it is a Transaction Document being amended), to make (or deem to be made) such amendment, adjustments, replacements or restatements to the Conditions, to any Final Terms and to any Transaction Document as it determines necessary or desirable to reflect or detail such successor or replacement or that it determines necessary or appropriate in order to account for the effect of the replacement of the Reference Rate with the Successor Reference Rate or the Replacement Reference Rate (as adjusted by the Adjustment Spread), as applicable, and/or to preserve as nearly as practicable the economic equivalence of the Carbon ETC Securities before and after the replacement of the Reference Rate with the Successor Reference Rate or the Replacement Reference Rate (as adjusted by the Adjustment Spread), as applicable.

## 10 Payments and Deliveries, Calculations, Agents and Records

(a) **Taxes**

(i) *Tax withholding/deduction required by law*

All payments in respect of the Carbon ETC Securities will be made subject to any withholding or deduction for, or on account of, any Taxes, if and only to the extent so required by applicable laws. In such case, the Paying Agent shall make the relevant payment in respect of such Carbon ETC Securities pursuant to the relevant Agency Agreement after such deduction or withholding (as applicable) has been made and shall account to the relevant Authority (as defined in the relevant Agency Agreement) within the time allowed for the

amount so deducted or withheld and the Securityholders shall not be entitled to receive amounts or assets to compensate for any such deduction or withholding. No Event of Default shall occur as a result of any such deduction or withholding.

(ii) *VAT, UK VAT or Jersey GST (as applicable) on deliveries*

For the avoidance of doubt, any VAT, UK VAT or Jersey GST (as applicable) payable in respect of transfer of Allowance(s) (i) by the Authorised Participant to the Issuer on subscription or (ii) by the Issuer to the Authorised Participant on buy-back shall be borne, in each case, by such Authorised Participant in accordance with clauses 7.7 and 7.8 of the relevant Authorised Participant Agreement.

(b) ***Payments and Deliveries***

- (i) For as long as the Carbon 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 Carbon 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 and provided that any presentation of the Global Security for such purpose is made outside the United States of America. Each of the persons shown in the records of the Relevant Clearing System as owning Carbon 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 Carbon ETC Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.
- (ii) Any payments that are made in respect of a Global Security shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it to or to the order of the Paying Agent.
- (iii) If any payments are made in respect of Carbon ETC Securities represented by a Global Security, a record of each such payment shall be endorsed by or on behalf of the Paying Agent on a schedule thereto (such endorsement being *prima facie* evidence that the payment in question has been made). Authorised Participants may also request Buy-Back Orders. In respect of a valid Buy-Back Order, notwithstanding anything to the contrary, delivery of a number of Allowance(s) equal to the relevant Buy-Back Redemption Amount by the Issuer to the relevant Authorised Participant in respect of such Buy-Back Order of any Carbon ETC Securities shall be made in accordance with Condition 7(e) (*Purchases*).

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

All payments (and deliveries of Allowance(s) on buy-back) in respect of the Carbon ETC Securities will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment or delivery (as applicable) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto or pursuant to Condition 10(a) (*Taxes*) above.

No commission or expenses shall be charged to the Securityholders in respect of such payments or deliveries (as applicable, except in respect of the Product Fee) and no payments or deliveries will be made at any office of a Paying Agent in the United States of America.

(d) **Calculations and Determinations**

- (i) The Determination Agent and the Issuing Agent shall, in each case, as soon as practicable on such date and/or at such time as the Determination Agent or Issuing Agent (as applicable) is required in accordance with the Determination Agent Agreement or the Agency Agreement (as applicable) and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.

In respect of the Determination Agent, if (I) the appointment of the Determination Agent is terminated in connection with a Determination Agent Bankruptcy Event, Determination Agent Regulatory Breach or a Determination Agreement Breach (and the Issuer opts to terminate the appointment of the Determination Agent) or (II) the Determination Agent resigns or its appointment is terminated and the Determination Agent fails to perform its duties and obligations under the relevant Determination Agent Agreement in the period prior to the effective date of such resignation or termination, the Issuer (or an agent on its behalf) shall as soon as reasonably practicable after becoming aware of the foregoing notify the Programme Administrator, the Trustee and the Carbon Counterparty, the Issuing Agent, the Paying Agent, the Custodian, the Carbon Accounts Administrator thereof. As soon as reasonably practicable after receipt of such notice (taking into account the time required for the Programme Administrator to put in place the relevant systems and procedures), the Programme Administrator has agreed in the Programme Administrator 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) and will use reasonable efforts to perform the duties and obligations of the Determination Agent on a temporary basis, until such time as a replacement Determination Agent is appointed. In doing so, the Programme Administrator shall apply the provisions of the Determination Agent Agreement, the Conditions, the relevant Transaction Document(s) 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.

- (ii) Without prejudice to Condition 10(d)(vi) (*Calculations and Determinations*), the Programme Administrator 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 Administrator of its obligations under the Programme Administrator Agreement, the Conditions or any other Transaction Document to which it is a party, provided that nothing shall relieve the Programme Administrator from any Loss arising by reason of acts or omissions constituting bad faith, fraud, wilful default or gross negligence of the Programme Administrator (any such act or omission, a “**Programme Administrator Breach**”).
- (iii) If the Programme Administrator would, but for the operation of this Condition 10(d)(iii), be held liable for any Loss arising as the result of a Programme Administrator Breach, the Programme Administrator shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Administrator Breach results from the Programme Administrator complying with any specific instruction or express direction from any director of the Issuer (whether received in electronic form or otherwise).
- (iv) If the Programme Administrator would, but for the operation of this Condition 10(d)(iv), be held liable for any Loss arising as the result of a Programme Administrator Breach, the Programme Administrator shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme

Administrator 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 Administrator under the Conditions or any relevant Transaction Document.

- (v) If the Programme Administrator would, but for the operation of this Condition 10(d)(v), be held liable for any Loss arising as the result of a Programme Administrator Breach, the Programme Administrator shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Administrator Breach results solely and directly from the reliance by the Programme Administrator upon a rate, amount, quotation, value, other calculation or determination or other information which is made or provided by another Transaction Party in accordance with the Conditions and the terms of any relevant Transaction Document and notified to the Programme Administrator pursuant to the Conditions and the relevant Transaction Document.
- (vi) Notwithstanding anything to the contrary in the Programme Administrator Agreement, these Conditions or any other Transaction Document, the Programme Administrator 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 Administrator in connection with the performance of the duties and obligations of the Determination Agent pursuant to this Condition 10(d) unless fraudulent or made in bad faith. Without prejudice to anything in this Condition 10(d)(vi), the Programme Administrator shall have the benefit of the provisions of Condition 10(f) relating to the Determination Agent in respect of any calculations, determinations, actions or omissions made by the Programme Administrator in connection with the performance by the Programme Administrator of the duties and obligations of the Determination Agent pursuant to this Condition 10(d).
- (vii) The determination by the Determination Agent, the Issuing Agent or the Programme Administrator, 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 such party under the Relevant Provisions are, in each case, required under the terms of the relevant Determination Agent Agreement, Agency Agreement or Programme Administrator Agreement, as the case may be, 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 5(e) and the relevant Security Documents and (i) the Determination Agent does not make any determination or calculation relating to the Allowance(s) Entitlement per Carbon ETC Security, Value per Carbon ETC Security, Final Allowance(s) Redemption Amount, Early Allowance(s) Redemption Amount, Final Redemption Amount or Early Redemption Amount when required pursuant to the Conditions and the Transaction Documents and/or (ii) the Programme Administrator has not made any determination or calculation relating thereto and/or (iii) a Programme Administrator 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 (or agent) 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 (or agent) 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.

(f) ***Determination Agent and Programme Administrator***

- (i) The Determination Agent shall exercise reasonable care in the performance of its duties under the relevant Determination Agent Agreement, these Conditions or any other Transaction Document to which it is a party and shall not be liable for any loss of any nature whatsoever suffered by the Issuer, any Securityholder, any other Transaction Party or any other person in connection with the performance by it of its obligations under the relevant Determination Agent Agreement, these Conditions or any other such Transaction Document, except (i) a loss resulting directly from gross negligence, wilful misconduct, bad faith or fraud on the part of the Determination Agent or (ii) without prejudice to anything in this Condition 10(f)(i), a loss resulting directly from the failure by the Determination Agent to make, when due, any calculation or determination, or give any such notice, consent, authorisation or instruction required under any express provision of the relevant Determination Agent Agreement (any such act, omission or failure under sub-paragraph (i) or (ii), a “**Determination Agent Breach**”). A Determination Agent shall not be liable for any indirect, special or consequential loss howsoever arising.

The Determination Agent shall not be liable to the Issuer, any Securityholder, any other Transaction Party or any other person for any Damages (as defined in the relevant Determination Agent Agreement) incurred by any such person that may arise (including, but not limited to, Damages as a result of any direct or indirect economic loss of, for example and where applicable, profit, or expected management performance fees, or goodwill or business reputation, or valuation of, or investment in, any Carbon ETC Securities) out of or in connection with the performance by the Determination Agent of its obligations under the relevant Determination Agent Agreement, these Conditions or any other Transaction Document to which it is a party relating to the relevant Series of Carbon ETC Securities.

In the event of a breach by the Determination Agent of its contractual duties under the relevant Determination Agent Agreement, these Conditions or any other Transaction Document to which it is a party relating to the relevant Series of Carbon ETC Securities (such breach being a Determination Agent Breach), any claims for remedy by the Issuer, any Securityholder, any other Transaction Party or any other person shall, to the extent permitted by applicable laws, be exclusively limited to the recovery of damages so as not to exceed in value the sum of the Determination Agent’s annual fees and remuneration.

For the avoidance of doubt, this Condition 10(f)(i) is not intended to limit the Determination Agent’s liability in the event of loss arising from the Determination Agent’s gross negligence, fraud, bad faith or wilful misconduct.

In addition, and without prejudice to anything in this Condition 10(f)(i) if the Determination Agent would, but for the operation of this Condition 10(f)(i), be held liable for any loss or Damages (as defined in the relevant Determination Agent Agreement) arising as the result of a Determination Agent Breach by it, 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:

- (A) 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) 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; or
  - (C) the reliance by the Determination Agent upon a rate, amount, quotation, value, other calculation or determination or other information notified to the Determination Agent pursuant to the Conditions and/or any relevant Transaction Document which is made or provided by another Transaction Party in accordance with the Conditions and the terms of any relevant Transaction Document.
- (ii) Neither the Determination Agent nor the Programme Administrator has any duties or responsibilities except those expressly set forth in the Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the relevant agreements against or on the part of the Determination Agent or the Programme Administrator (as applicable). Neither the Determination Agent nor the Programme Administrator (as applicable) shall, or shall 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 (except as otherwise set out in clause 7.2 (*No implied duties of the Programme Administrator*) of the Programme Administrator Agreement, in respect of the Programme Administrator and unless, in the case of the Determination Agent, otherwise agreed pursuant to the Relevant Provisions.
  - (iii) The Determination Agent and the Programme Administrator (as applicable) 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 shall 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).
  - (iv) Neither the Determination Agent nor the Programme Administrator will incur any liability to any person in acting upon any Carbon 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 or the Programme Administrator Agreement (as the case may be).
  - (v) The Determination Agent and the Programme Administrator, respectively, whether or not acting for themselves, may acquire, hold or dispose of any Carbon 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 Administrator, as applicable, were not a Determination Agent or Programme Administrator, as applicable, under the Determination Agent Agreement or Programme Administrator Agreement, as applicable, and need not account for any profit.
  - (vi) Save as otherwise provided in the Determination Agent Agreement, the Programme Administrator Agreement, and the other Relevant Provisions, neither the Determination Agent nor the Programme Administrator shall 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 its respective duties and obligations under the relevant agreement and any ordinary office expenses, remuneration of directors or employees or general operating costs of the Determination Agent or the Programme Administrator (as applicable) (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.

- (vii) Neither the Determination Agent nor the Programme Administrator is 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.
- (viii) To the extent that the Determination Agent or the Programme Administrator requires clarification of its duties pursuant to the Relevant Provisions, the Determination Agent or the Programme Administrator (as applicable) 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, force majeure and the indemnity provisions in the Determination Agent Agreement or the Programme Administrator Agreement (as applicable), neither the Determination Agent nor the Programme Administrator (as applicable) will be responsible for any action it takes in accordance with such instructions.
- (ix) If the Issuer expressly instructs the Determination Agent or the Programme Administrator to take any action not contemplated by the Relevant Provisions, neither the Determination Agent nor the Programme Administrator (as applicable) shall, without prejudice to the standard of care, limitation of liability, force majeure and indemnity provisions in the Determination Agent Agreement or the Programme Administrator Agreement (as applicable), be responsible for any action it takes on behalf of the Issuer in accordance with such instructions.
- (x) The Determination Agent and the Programme Administrator will have no responsibility or liability for any Loss (in the case of the Programme Administrator Agreement) or loss or Damages (as defined in, and in the case of the Determination Agent Agreement), resulting from its being unable to perform any functions or obligations under the Determination Agent Agreement or the Programme Administrator Agreement (as applicable) 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, Programme Administrator Agreement or any other Transaction Document shall require the Determination Agent or the Programme Administrator (as applicable) 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, provided that (in the case of the Determination Agent Agreement) the Determination Agent has obtained or maintained all necessary licences and approvals to carry on business of the same type as that provided under the Determination Agent Agreement.
- (xi) Subject to the Relevant Provisions, the Determination Agent shall have no obligation to notify anyone of the execution of the relevant Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, 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 in relation to the relevant Series of Carbon ETC Securities (other than as required pursuant to Condition 7(d)(iii) with respect to a Value per Carbon ETC Security Threshold Redemption Event) or if the Security under the



relevant Security Documents has become enforceable. Until the Determination Agent has actual knowledge or express notice to the contrary, it may assume that no such event has occurred and that the Issuer and all other Transaction Parties (other than itself) are performing all their respective obligations under the Carbon ETC Securities of the relevant Series of Carbon ETC Securities and the other Transaction Documents. Subject to the delegation of duties provision in the relevant Determination Agent Agreement, the Determination Agent shall not be responsible for monitoring or supervising the performance by any other person (other than itself) of such person's obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary. The Determination Agent shall not be responsible for any errors made by the Issuer, the Trustee, the Programme Administrator, the Carbon Accounts Administrator, the Custodian, the Carbon Counterparty 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 Determination Agent shall not be liable to the Issuer or any Transaction Party for any loss which may be sustained in the purchase, holding or sale of any Allowance(s) or other asset by the Issuer or any Transaction Party.

- (xii) The Programme Administrator shall have no obligation to notify anyone of the execution of any Transaction Document or do anything to find out if an Event of Default, 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 in relation to the relevant Series of Carbon ETC Securities or if the Security under the relevant Security Documents has become enforceable. The Programme Administrator shall not be responsible for monitoring or supervising the performance by any person (other than itself) of such person's obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary. The Programme Administrator shall not be responsible for any errors made by the Issuer, the Trustee, the Determination Agent, the Carbon Accounts Administrator, the Custodian, the Carbon Counterparty 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.

(g) ***Appointment of Agents and Service Providers***

Save as provided below, the Agents (other than the Carbon Counterparty) 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 without the consent of the Trustee or the Securityholders to vary or terminate the appointment or agreement to act (as applicable) of the Issuing Agent, any other Paying Agent, the Carbon Counterparty, the Carbon Accounts Administrator, the Custodian, the Programme Administrator or the Determination Agent and to appoint additional or other Paying Agents or Issuing Agents. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection, *inter alia*, with the occurrence of an insolvency or similar event or proceedings or contractual breach of the relevant Agent's obligations (as applicable) in the relevant Transaction Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing Agent, (ii) a relevant Paying Agent, (iii) a Determination Agent, (iv) a Programme Administrator, (v) a Carbon Counterparty, (vi) a Carbon Accounts Administrator, (vii) a Custodian and (viii) such other agents as may be required by any stock exchange on which the Carbon ETC Securities may be listed. Any replacement Carbon Counterparty is required at the time of appointment to be an Eligible Carbon Counterparty, any replacement Determination Agent is required at the time of appointment to be an Eligible Determination Agent (as defined in the relevant Determination Agent Agreement), any replacement Carbon Accounts Administrator is required at the time of appointment to be an Eligible Carbon Accounts Administrator, any replacement Programme Administrator is required at the time of appointment to be a leading bank, asset manager, financial institution or investment banking firm

that is an Eligible Programme Administrator and any replacement Custodian is required at the time of appointment to be an Eligible Custodian. 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 17.

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

If any date for payment in respect of any Carbon 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.

(i) ***Records***

For so long as the Carbon ETC Securities are Bearer Securities represented by a Global Security in NGN form, the records of the Relevant Clearing System(s) (which expression in this Condition 10(i) means the records that each Relevant Clearing System or the Relevant Clearing System, as applicable, holds for its customers which reflect the amount of such customers' interests in the Carbon ETC Securities) shall be conclusive evidence of the number of the Carbon 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 Carbon 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.

(j) ***Negotiability of Global Security***

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

- (i) is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to these Conditions;
- (ii) the holder of the Global Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption 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.

(k) ***Determinations by the Issuer***

The Issuer shall make any determinations that it is required to make and exercise any discretions that it may have pursuant to these Conditions in good faith and a commercially reasonable manner.

## **11 Prescription**

Claims against the Issuer for payment under the Conditions in respect of the Carbon ETC Securities shall be prescribed and become void unless made within ten years from the date on which the payment of the relevant amount in respect of the Carbon ETC Securities first became due.

## **12 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 Carbon ETC Securities then outstanding or if so directed by an Extraordinary Resolution (provided that in each case the Trustee shall

have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (copied to each Transaction Party)) (such notice an “**Event of Default Redemption Notice**”) that the Carbon ETC Securities shall become due and payable at their Early Redemption Amount on the Scheduled Early Redemption Date:

- (i) the Issuer does not perform or comply with any one or more of its obligations (other than an obligation to pay Principal in respect of the relevant series of Carbon ETC Securities on the Scheduled Maturity Date or the relevant Scheduled Early Redemption Date (if applicable) to the relevant Securityholder(s)) under the Carbon ETC Securities, the Security Documents 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); or
- (ii) any of the following events (each an “**Issuer Insolvency Event**”) occurs for a Series, such that the Issuer:
  - (a) save to the extent contemplated in the Security Documents for that Series, makes a general assignment, arrangement, scheme or composition with or for the benefit of the Securityholders, or such a general assignment, arrangement, scheme or composition becomes effective;
  - (b) institutes or has instituted against it, by a regulator, supervisor or any similar official with insolvency, rehabilitative or regulatory jurisdiction over it, a proceeding seeking a judgment of insolvency, examinership, bankruptcy or any other similar relief under any bankruptcy, examinership or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) by it or such regulator, supervisor or similar official;
  - (c) has instituted against it, by a person or entity not described in paragraph (b) above, a proceeding seeking a judgment of insolvency, examinership or bankruptcy or any other similar relief under any bankruptcy, examinership or insolvency law or other law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition (A) results in a judgment of insolvency, examinership or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
  - (d) has a 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;
  - (e) seeks or becomes subject to the appointment of an administrator, examiner, provisional liquidator, conservator, receiver, trustee, custodian or other similar official or any application made or petition lodged or documents filed with the court or administrator in relation to the Issuer or the Programme (as appropriate)) for it or for any assets on which the liabilities of the Issuer under the relevant Carbon ETC Securities are secured pursuant to the Security Documents for that Series;
  - (f) other than the Trustee for that Series in circumstances where the Trustee is enforcing the Security pursuant to the Security Documents or any other Transaction Party in the performance of their respective roles, has a secured creditor other than a Secured Creditor

take possession by way of enforcement of any assets on which the liabilities of the Issuer under the relevant Carbon ETC Securities are secured pursuant to the Security Documents for that Series or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against any assets on which the liabilities of the Issuer under the relevant Carbon ETC Securities are secured pursuant to the Security Documents for that Series and such secured creditor maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

- (g) becomes “bankrupt” as such term is defined in Article 8 of the Interpretation (Jersey) Law 1954;
- (h) is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or admits its inability to pay its debts as they fall due (except for a failure by the Issuer to pay any Principal when due in respect of the relevant Series of Carbon ETC Securities); or
- (i) is subject to any procedure or any step is taken, or any event occurs, analogous to those set out in (a) to (f) above, in connection with any of the events referred to in Article 8 of the Interpretation (Jersey) Law 1954.

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 17.

Notwithstanding the above, no Event of Default Redemption Notice may be given if an Early Redemption Valuation Date or Final Redemption Valuation Date has occurred.

The Issuer has undertaken in the Trust Deed that, in the month in each year in which the anniversary of the issue date of the first series of securities issued under the Programme falls and also within 14 calendar days after any request by the Trustee, it will send to the Trustee a certificate signed by any duly authorised signatory of the Issuer to the effect that, such duly authorised signatory having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer 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 or event pursuant to which the Security has become enforceable, has occurred since the date to which the last certificate relates or (if none) the issue date of the first series referred to above.

### **13 Enforcement**

Pursuant to the terms of the Trust Deed and at any time after the Security has become enforceable, only the Trustee may, at its discretion and without further notice, take such steps, actions or proceedings as it may think fit against the Issuer to enforce the rights of the holders of the Carbon ETC Securities against the Issuer, whether the same arise under general law, the Trust Deed, the Carbon ETC Securities and any other Transaction Document or otherwise, 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 Carbon ETC Securities then outstanding and (b) it is 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 to enforce the performance of any of the provisions of the relevant Trust Deed 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 each Security Document and at any time after the Security has become enforceable, 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 Carbon ETC Securities then outstanding 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 Documents unless the Trustee, having become bound to proceed in accordance with the terms of the Security Documents, fails or neglects to do so within a reasonable time and such failure is continuing. The Trustee, the Securityholders, the Secured Creditors, the Other Creditors 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 Documents.

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 Documents or otherwise.

## **14 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 Carbon 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 Carbon 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 the basis on which Issue Price per Carbon ETC Security and/or Value per Carbon ETC Security is calculated, in each case, in respect of the Carbon ETC Securities; (iv) to take any steps that, as specified in the Trust Deed, the Conditions or the Transaction Documents, 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 5 and/or the Security Documents.

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 Allowance(s) to an Authorised Participant in connection with any buy-back and the related release of Security and any other circumstance in which assets may be released from the security as provided in Condition 5 or in the Security Documents;
- (ii) any change to the Product Fee Percentage at any time;
- (iii) the termination of any appointment of an Agent or any appointment of an additional or replacement Transaction Party provided such appointment or termination thereof or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);
- (iv) the substitution of the Reference Rate with a Successor Reference Rate, or the replacement of a Reference Rate or Price Source, or any related activities pursuant to these Conditions;

- (v) any increase to the Programme Maximum Number of Carbon ETC Securities (if applicable);
- (vi) any amendment(s) to any term of the Conditions or any Transaction Document which relates to an operational or procedural issue;
- (vii) any amendment to the name of the Programme;
- (viii) anything that the Issuer is permitted to do without the prior written consent of the Trustee pursuant to Condition 6 or any other Conditions; or
- (ix) the transfer, novation or assignment of the Programme Administrator Agreement effected in accordance with the Conditions.

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

Without prejudice to Condition 14(a), the Trustee may agree, without the consent of the Securityholders but only with the prior written consent of the Programme Administrator, to (i) any modification to these Conditions, the Trust Deed, each Security Document and/or any other Transaction Document 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 Documents and/or any other Transaction Document 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 17 as soon as reasonably practicable.

(c) ***Substitution***

The Trustee may, without the consent of the Securityholders but subject to the prior written consent of the Programme Administrator, agree to the substitution, in place of the Issuer (or of any previous substitute under this Condition 14(c)) as the principal debtor under the Trust Deed, the Security Documents, the other Transaction Documents to which it is a party and the Carbon ETC Securities, of any other company (incorporated in any jurisdiction) (any such substitute company being the "**Substituted Obligor**"), 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 relevant Trust Deed, the Security Documents and the Carbon ETC Securities (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the relevant Trust Deed, the Security Documents and the Carbon 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 each Security Document 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 is 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 Carbon 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 Programme Administrator and any other relevant 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 such Carbon ETC Securities, agree to a change of the law from time to time governing such Carbon ETC Securities and/or the relevant Issue Deed and/or the Trust Deed and/or each Security Document, 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 14(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 Carbon ETC Securities and the other related 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 14(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 Carbon 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 Carbon 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 each Security Document, in connection with the exercise of its functions (including, but not limited to, those referred to in the Transaction Documents and this Condition 14) the Trustee will have regard to the interests of the Securityholders as a class and will not have regard to the consequences of such exercise for individual Securityholders and the Trustee will not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders. So long as the Carbon 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.

## **15 Replacement of Carbon ETC Securities**

If a Carbon 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 Agent 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 Carbon 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 Carbon ETC Security) and otherwise as the Issuer may require. Mutilated or defaced Carbon ETC Securities must be surrendered before replacements will be issued.

## 16 Further Issues

Subject to Condition 5, 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, create and issue further securities that are either:

- (i) securities having the same terms and conditions as the Carbon ETC Securities in all respects (provided that, for the avoidance of doubt, different issue dates and updated references to the number of the Carbon ETC Securities of the Series and updated references to other variables as they stand at or around the issue date of the Tranche shall not result in different terms and Conditions or to the final terms for the Tranche being deemed to be on different terms or in a different form) and so that such further issue shall be consolidated and form a single series with the Carbon ETC Securities and the Issuer may incur further obligations relating to such Carbon ETC Securities; or
- (ii) securities that are not consolidated and do not form a single Series with the Carbon ETC Securities and that are secured on separate assets than the Carbon ETC Securities and that are issued upon such terms as the Issuer may determine at the time of their issue and in respect of which the Issuer may incur further obligations relating to such securities.

Any new securities forming a single series with the Carbon ETC Securities of this Series and which are expressed to be constituted by the Trust Deed and secured by the Security Documents will, upon the issue thereof by the Issuer, be constituted by the Trust Deed and secured by the Security Documents 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 Carbon 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 “**Carbon ETC Securities**”, “**Secured Assets**”, “**Secured Agent Rights**”, “**Secured Property**”, “**Secured Issuer Obligations**”, “**Other Issuer Obligations**”, “**Secured Creditors**” and “**Other Creditors**” and any other relevant term shall be construed accordingly.

In respect of a valid Subscription Order accepted by the Issuing Agent on behalf of the Issuer following the Series Issue Date, notwithstanding anything to the contrary, the corresponding Carbon ETC Securities shall only be issued and settled following (A) delivery of a number of Allowance(s) equal to the Subscription Settlement Amount to the relevant Series Carbon Account in respect of the relevant Series of Carbon ETC Securities (at the time agreed pursuant to the relevant Authorised Participant Agreement) and (B) receipt by the Issuing Agent of a notice from the Carbon Accounts Administrator confirming that such number of Allowance(s) equal to the Subscription Settlement Amount has been delivered to the relevant Series Carbon Account. For the avoidance of doubt, Subscription Orders may only be requested by an Authorised Participant.

## 17 Notices

Notices required to be given in respect of the Carbon ETC Securities represented by a Global Security are given (i) by their being delivered to the Relevant Clearing System, or (ii) otherwise to the holder of the Global Security. Any such notice shall be deemed to have been given to the holders of the Carbon ETC Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System.



For so long as any of the Carbon ETC Securities are listed on any Relevant Stock Exchange, notices are also required to be given in accordance with the rules and regulations of each Relevant Stock Exchange or other relevant authority.

## 18 Regulatory Requirement Amendments

If the Programme Administrator determines that a Regulatory Requirement Event has occurred, it may notify the Issuer of any modifications that it determines are required to be made to the Conditions and/or any Transaction Document (except for any Authorised Participant Agreement) (such amendments, the “**Regulatory Requirement Amendments**”) in order to cause (as applicable):

- (a) the Carbon ETC Securities and the transactions contemplated by the Conditions and the Transaction Documents to be compliant with all Relevant Regulatory Laws;
- (b) the Issuer and each Transaction Party to be compliant with all Relevant Regulatory Laws; or
- (c) the Issuer and each Transaction Party to be able to continue to transact future business (as issuer of Carbon ETC Securities or as a transaction party to the Issuer pursuant to the Programme) in compliance with all Relevant Regulatory Laws.

The Programme Administrator shall immediately send a copy of any such notice to all Transaction Parties (other than the Authorised Participants).

If the Issuer receives such a notice from the Programme Administrator, it shall, without the consent of the Securityholders, promptly make the Regulatory Requirement Amendments, provided that:

- (A) no Scheduled Early Redemption Date has occurred in respect of the Carbon ETC Securities;
- (B) the Regulatory Requirement Amendments will not:
  - (i) amend the date of maturity or redemption of the Carbon ETC Securities;
  - (ii) reduce or cancel any Early Redemption Amount, Final Redemption Amount or the Minimum Debt Principal Amount payable on redemption of the Carbon ETC Securities;
  - (iii) reduce or cancel the Allowance(s) Entitlement per Carbon ETC Security or vary the method of, or basis for, calculating the Allowance(s) Entitlement per Carbon ETC Security;
  - (iv) vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount;
  - (v) exchange or substitute any of the Underlying Allowance(s); or
  - (vi) have a material adverse effect on the validity, legality or enforceability of the Security or on the priority and ranking of the Security;
- (C) the Regulatory Requirement Amendments are agreed to by each party to the affected Transaction Documents (in each case, such consent not to be unreasonably withheld or delayed) and the Trustee; and
- (D) the Programme Administrator certifies in writing (such certificate, a “**Regulatory Requirement Amendments Certificate**”) to the Trustee that (x) the purpose of the Regulatory Requirement Amendments is solely as set out in Conditions 18(a) to 18(c) and (y) the Regulatory Requirement Amendments satisfy the requirements of paragraph (B) above.

The Trustee may rely, without further enquiry and without liability to any person for so doing, on a Regulatory Requirement Amendments Certificate. Upon receipt of a Regulatory Requirement Amendments Certificate, the Trustee shall agree to the Regulatory Requirement Amendments without seeking the consent of the Securityholders or any other party and concur with the Issuer (at the Issuer’s

expense) in effecting the Regulatory Requirement Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the relevant Trust Deed), provided that the Trustee shall not be required to agree to the Regulatory Requirement Amendments if, in the opinion of the Trustee (acting reasonably), the Regulatory Requirement Amendments would (x) expose the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (y) impose more onerous obligations upon it or expose it to any additional duties or responsibilities or reduce or amend the protective provisions afforded to the Trustee in the Conditions or any Transaction Document of any Series.

Neither the Programme Administrator nor the Trustee shall have any duty to monitor, enquire or satisfy itself as to whether any Regulatory Requirement Event has occurred. The Programme Administrator shall not have any obligation to give, nor any responsibility or liability for giving or not giving, any notice to the Issuer and the Transaction Parties that a Regulatory Requirement Event has occurred.

Any Regulatory Requirement Amendments will be binding on the Issuer, the Transaction Parties and the Securityholders.

## **19 Rights, Obligations and Indemnification of the Trustee**

### **(a) *Condition Precedent to Trustee Action***

The Trustee or any receiver is not obliged or required to take any action in relation to the enforcement of the Security 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 or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

Pursuant to each Security Document and to the fullest extent permitted by law, 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 relating to the relevant Series of Carbon ETC Securities, unless such loss, theft or reduction in value is caused by its own fraud, negligence or wilful default. 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, the Carbon Accounts Administrator, the Custodian and/or the Carbon Counterparty, as applicable, is subject to any Tax in respect of any of the Secured Property, any income therefrom and/or the proceeds thereof.

To the fullest extent permitted by law, the Trustee will not be responsible or liable to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor for the validity, enforceability, registration, perfection, value or sufficiency (which the Trustee shall not investigate) of the Security purported to be created by each Security Document or otherwise relating to the Carbon 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 Secured Property or the Security relating to the Carbon ETC Securities.

Pursuant to each Security Document, 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 (including any aggregate net sale proceeds from any transaction(s) entered into in connection with the sale and purchase of the relevant Allowance(s) in respect of which a Price Confirmation Notice (as defined in the relevant Carbon Counterparty Agreement) was delivered on or prior to the date the Enforcement Notice was given, such transaction to be settled in accordance with clause 11.7.2 (*Notice of Enforcement*) of the relevant Carbon Counterparty Agreement) 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, gross negligence or wilful default.

(c) ***Discharge***

The Trustee's or receiver'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 Carbon 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 Carbon ETC Securities any liabilities and expenses have been incurred by the Trustee and to allocate any such liabilities and expenses between such Series of Carbon ETC Securities.

(e) ***Advice***

The Trustee may act on the opinion or advice of, or information obtained from (which shall include, for the avoidance of doubt, any report, confirmation or certification), any expert and shall not be responsible to anyone for any loss occasioned by so acting whether such advice is obtained by or addressed to the Issuer, the Trustee or any other person. Any such opinion, advice or information may be sent or obtained by letter, fax or electronic communication and the Trustee shall 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 relevant Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, a Potential Event of Default, an Early Redemption Event, a Disruption Event, a Carbon Accounts Administrator Bankruptcy Event, a Custodian Bankruptcy Event, a Carbon Counterparty Bankruptcy Event, a Suspension Event, a Determination Agent Bankruptcy Event, an Issuing Agent Bankruptcy Event, a Paying Agent Bankruptcy Event, a substitution of the Price Source, a resignation or termination of an Agent's appointment has occurred or if the Security 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 relevant Trust Deed, each Security Document, the Carbon 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 (i) may at any time seek, from the Securityholders, a direction to act in respect of any of its powers, duties, obligations, rights and/or discretions under the Transaction Documents and

(ii) shall not be obliged to take any action or proceedings (or refrain from doing so) unless it has received a request or instruction. 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 Duly Authorised Signatories***

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 duly authorised signatory 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 relevant 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 moneys).

(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 relevant Trust Deed, Security Documents or any other relevant 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 (provided prior notice has been given to the Programme Administrator) determine all questions and doubts arising in relation to any of the provisions of the relevant Trust Deed, each Security Document or any other Transaction Document (and shall notify the Programme Administrator of its determination). 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 in connection herewith to convert any sum from one currency to another, it will (unless otherwise provided in the relevant 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, the Secured Creditors and the Other Creditors.

(q) ***Indemnity Under the Trust Deed***

Pursuant to the Trust Deed, without prejudice to the right of indemnity by law given to trustees, the Trustee and every receiver, attorney, manager, agent or other person appointed by the Trustee under the relevant Trust Deed and the relevant Security Documents in relation to the Carbon ETC Securities will be entitled to be indemnified out of the relevant Secured Property (in respect of the relevant Series of Carbon ETC Securities) 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 relevant Trust Deed or the relevant Security Documents and against all actions, proceedings, costs, claims and demands in respect of any acts or omissions relating to the Secured Property, and to the extent not already paid to the Trustee on behalf of the Issuer by the Programme Administrator pursuant to the costs arrangements set out in clause 4.1 (*Product Fees*) of the Programme Administrator Agreement, the Trustee may retain any part of any moneys in its hands arising from the trusts of the relevant Trust Deed and the relevant Security Documents to pay all sums necessary to effect such indemnity and also the remuneration of the Trustee. The Trustee is a Secured Creditor in respect of such Secured Property for all moneys payable to it under this Condition 19, clause 8 of the relevant Trust Deed or otherwise. The Trustee is not obliged or required to take any step or action under or in connection with the Carbon ETC Securities, the Security Documents 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.

(r) ***Issue Deed***

The Trustee assumes no responsibility for, and will not, by the execution of any Issue Deed, be deemed to make any representation as to, the adequacy, sufficiency, validity or enforceability of such Issue Deed or any agreement constituted by the execution thereof.

(s) ***Transaction Parties***

In acting as Trustee under the relevant Trust Deed and Security Documents, the Trustee does not assume any duty or responsibility to any Transaction Party (other than to pay or deliver, as applicable, to any such party any moneys or assets received and payable or deliverable to it and to act in accordance with the provisions of Condition 5, the relevant Trust Deed and Security Documents) and will have regard solely to the interests of the Securityholders of the relevant Series (for so long as the Carbon ETC Securities of such Series are outstanding). The Trustee is not (subject to clause 17 of the relevant Trust Deed and Conditions 5 and 13) 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 (for so long as the Carbon ETC Securities of such Series are outstanding).

(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 Carbon ETC Securities**

The Trustee will not be responsible for the receipt or use by the Issuer of any property received by the Issuer in relation to any issue of Carbon ETC Securities, any exchange of Carbon ETC Securities or the delivery of Carbon ETC Securities to the persons entitled to them.

(v) **Legal Opinions**

The Trustee will not be responsible to any person for failing to request, require or receive any legal opinion relating to the Carbon 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 any Carbon ETC Securities are issued or entered into in breach of the Programme Maximum Number of Carbon 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, a Carbon Counterparty Bankruptcy Event, a Carbon Accounts Administrator Bankruptcy Event, a Custodian Bankruptcy Event, a Suspension Event, a Determination Agent Bankruptcy Event, an Issuing Agent Bankruptcy Event, a Paying Agent Bankruptcy Event, a substitution of the Price Source or a resignation or termination of an Agent's appointment or agreement to act (as applicable) has occurred or is continuing or if the Security has become enforceable or to monitor compliance by the Agents, the Programme Administrator 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 the 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 (whereupon the Issuer shall copy such notice to the Programme Administrator).

(aa) **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 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.

(bb) ***No Obligations to Monitor Transaction Parties Under the Transaction Documents***

Pursuant to the Trust Deed, the Trustee shall 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).

(cc) ***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.

(dd) ***Authorised Participants***

The Trustee will not be responsible for monitoring or ascertaining whether there are one or more Authorised Participants or no Authorised Participant in respect of the Carbon ETC Securities or whether no Authorised Participant is willing to purchase any Carbon ETC Securities and, unless and until it receives express notice to the contrary, it will be entitled to assume that there is or are one or more Authorised Participants in respect of the Carbon ETC Securities and that one or more Authorised Participants is or are willing to purchase the Carbon ETC Securities.

(ee) ***Calculation of Allowance(s) Entitlement per Carbon ETC Security, Value per Carbon ETC Security and Redemption Amounts***

In ascertaining any Allowance(s) Entitlement per Carbon ETC Security, Value per Carbon ETC Security, Final Allowance(s) Redemption Amount, Early Allowance(s) Redemption Amount, 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 Administrator (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.

(ff) ***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.

(gg) ***Trustee Liable for Negligence***

- (i) If the Trustee fails to show the degree of care and diligence required of it as trustee, nothing in the Trust Deed or the Security Documents, as the case may be, will relieve or indemnify the Trustee from or against any liability that would otherwise attach to it in respect of any gross negligence, wilful default, breach of duty or breach of trust of which it may be guilty.
- (ii) Under no circumstances shall the Trustee be liable to, or be required to indemnify, the Issuer or any third party for (a) indirect, punitive or consequential losses or indirect, punitive or consequential damages of any kind whatsoever, (b) loss of business opportunity, or (c) loss of profit, in each case to the extent any such losses arise in connection with the Trust Deed

or Security Documents, as the case may be, notwithstanding that such losses were or may have been foreseeable or that the Trustee was advised or was aware of the possibility of such losses and regardless of whether the claim to any such loss or damage under paragraph (a), (b) or (c) is made in negligence, breach of duty, breach of trust or otherwise.

(hh) ***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 holders of at least one-fifth in number of the Carbon ETC Securities then outstanding or an Extraordinary Resolution (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction). 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 Carbon ETC Security will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Carbon ETC Securities under which a payment obligation is due.

(ii) ***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 Carbon 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.

(jj) ***Accumulation of Moneys***

If the amount of the moneys at any time available to the Trustee for payment in respect of the Carbon ETC Securities in accordance with Condition 5(b) or 5(c), as applicable, is less than 5 per cent. of the aggregate Value per Carbon ETC Security of the Carbon ETC Securities then outstanding (or, following an Early Redemption Valuation Date or Final Redemption Valuation Date, the Early Redemption Amount or the Final Redemption Amount, as applicable), the Trustee may, pursuant to the relevant Trust Deed or the Security Documents, 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 5 per cent. of the aggregate Value per Carbon ETC Security of the Carbon ETC Securities then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable Taxes) will be applied as specified in Condition 5(b) or 5(c), as applicable.

(kk) ***Investment***

Pursuant to the terms of the Trust Deed and the Security Documents, 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 shall 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 shall be in investments or assets denominated in the Specified Currency of the relevant Series of Carbon ETC Securities (and to the extent (if any) that sums received by the Trustee in respect of the relevant Series of Carbon ETC Securities are in a currency other than the Specified Currency of the relevant Series of Carbon ETC Securities, the Trustee may, for the purposes of making investments in accordance with the Trust Deed or Security Documents, as applicable, convert such sums into the Specified Currency of that Series of Carbon ETC Securities and shall not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise). The Transaction Parties and the Securityholders shall be deemed to have acknowledged that in respect thereof the Trustee is not providing investment supervision, recommendations or advice.

(ll) ***Creditworthiness of the Transaction Parties***

Pursuant to each Security Document, 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 Transaction Party, or the validity or enforceability of the obligations of any Transaction Party.

(mm) ***Ability to Borrow on Secured Property***

Pursuant to and within the limits provided under the relevant Security Document, 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 relevant Security Document (including the costs of realising any security and the remuneration of the Trustee) or in exercise of any of its functions pursuant to and within the limits provided by such Security Document. 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 (if so provided by the relevant Security Document) whether or not in priority to the Security constituted by or pursuant to the Security Documents and generally in such manner and form as the Trustee shall think fit (but under the limits provided by the relevant Security Document) and for such purposes may take such action as it shall think fit.

(nn) ***Obligations of the Carbon Accounts Administrator and Custodian***

The Trustee will have no responsibility for the performance by the Carbon Accounts Administrator or the Custodian of any of their respective obligations. 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 is granted in relation to the relevant Series Carbon Account which is opened in the name of the Custodian (for the benefit of the Issuer and maintained and operated by the Carbon Accounts Administrator by instruction to the Custodian).

(oo) ***Forged Carbon 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 Carbon ETC Security purporting to be such and later found to be forged or not authentic.

## 20 Relevant Clearing System

None of the Issuer, the Trustee, the Agents 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.

## 21 Governing Law and Jurisdiction

### (a) **Governing Law**

The Issue Deed, the Trust Deed and the Carbon 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.

The English Law Security Deed, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, English law.

The Jersey Law Security Interest Agreement and the Administration Services Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Jersey law.

The Luxembourg Law Pledge Agreement and the Custody Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, Luxembourg law.

### (b) **Jurisdiction**

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Carbon ETC Securities and, accordingly, any legal action or proceedings arising out of or in connection with any Carbon ETC Securities (“**Proceedings**”) may be brought in such courts. The parties to the Trust Deed have irrevocably submitted 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, the Programme Administrator 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**

In respect of a Series, each of the Issuer, the Issuing Agent, Determination Agent, the Carbon Accounts Administrator, the Custodian and any Paying Agent (where the Paying Agent has no registered office in England and Wales) irrevocably agrees to appoint, on or around the Series Issue Date, a process agent as its agent to receive, for it and on its behalf, service of process in any Proceedings in England. The process agent in respect of each such party appointing a process agent shall either (i) be the party specified as its process agent for the Series in the relevant Issue Deed for the first Tranche for such Series or (ii) if no such process agent is specified in such Issue Deed in respect of such party, be notified to the Trustee as soon as reasonably practicable following its appointment. Service of process on any such process agent shall be deemed valid service upon the party appointing such process agent, whether or not it is forwarded to and received by the appointing party. Each party appointing a process agent 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 any such process agent ceases to be able to act as such or no longer has an address in England, each party who has appointed such process agent irrevocably agrees to appoint a substitute process agent in England reasonably acceptable to the Trustee and to deliver to the Trustee a copy

of the substitute process agent's written acceptance of that appointment, within 14 calendar days. Each party appointing a process agent irrevocably consents to any process in any Proceedings anywhere being served by mailing a copy by registered post to such process agent. However, nothing in this Condition 21(c) shall affect the right to serve process in any other manner permitted by law.

## **Annex 1 to the Master Terms and Conditions of the Carbon ETC Securities**

### **PROVISIONS FOR MEETINGS OF SECURITYHOLDERS**

#### **Interpretation**

- 1** In this Annex:
  - 1.1** references to a meeting are to a meeting of Securityholders of a single series of Carbon ETC Securities and include, unless the context otherwise requires, any adjournment of such meeting;
  - 1.2** references to “Carbon ETC Securities” and “Securityholders” are only to the Carbon 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 Carbon 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 14;
  - 1.5** “**voting certificate**” means a certificate issued in accordance with paragraphs 6, 7 and 8; and
  - 1.6** references to persons representing a proportion of the Carbon ETC Securities are to Securityholders or agents holding or representing in the aggregate at least that proportion in number of the Carbon ETC Securities for the time being outstanding.
  - 1.7** for the avoidance of doubt, for so long as the Carbon 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 depository, 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 depository, 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 Carbon 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 and references to “Securityholder” or “Securityholders” shall be construed accordingly.

#### **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 Document;
  - 2.2** to sanction the exchange or substitution for the Carbon ETC Securities of, or the conversion of the Carbon 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 Documents, the Carbon ETC Securities or any Transaction Document 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 Documents; 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 Carbon ETC Securities,

provided that the special quorum provisions in paragraph 17 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 14(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 ten per cent. in number of the Carbon ETC Securities of any Series for the time being outstanding and is indemnified and/or secured and/or pre-funded 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 Carbon 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 the Issuing Agent or to the order of the Issuing Agent with a bank or other depository nominated by the Issuing Agent for the purpose save that for so long as the Carbon ETC Securities are Bearer Securities represented by a Global Security deposited with the Relevant Clearing System, no such deposit shall be required where the Issuing Agent is satisfied that no transfer of the Global Security itself will occur over the meeting period and that appropriate measures are in place to ensure that anyone issued a voting certificate cannot transfer Carbon

ETC Securities within the Relevant Clearing System until the time specified in paragraph 8 of this Annex 1. The Issuing Agent shall then issue a voting certificate in respect of that Bearer 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 numbers of the Carbon ETC Securities to which such voting certificate relates; and
  - 7.4** entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those Carbon ETC Securities.
- 8** Once an Issuing Agent or its agent has issued a voting certificate for a meeting in respect of an Carbon ETC Security, it shall not release the Carbon ETC Security until either:
  - 8.1** the meeting has been concluded; or
  - 8.2** the voting certificate has been surrendered to the Issuing Agent.

### **Block Voting**

- 9** If a holder of Carbon ETC Securities 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 the Issuing Agent or to the order of the Issuing Agent with a bank or other depositary nominated by the Issuing Agent for the purpose save that for so long as the Carbon ETC Securities are Bearer Securities represented by a Global Security deposited with the Relevant Clearing System, no such deposit shall be required where the Issuing Agent is satisfied that no transfer of the Global Security itself will occur over the meeting period and that appropriate measures are in place to ensure that anyone issued a voting certificate cannot transfer Carbon ETC Securities within the Relevant Clearing System until the time specified in paragraph 8 of this Annex 1 and (ii) he or a duly authorised person on his behalf must direct the Issuing Agent how those votes are to be cast. The Issuing Agent shall issue a block voting instruction in respect of the votes attributable to all Carbon ETC 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 of the Carbon 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 Carbon ETC Securities deposited and directions received as provided in paragraphs 9 and 12; and
  - 10.6** appoint one or more named persons (each, a “**proxy**”) to vote at that meeting in respect of those Carbon ETC Securities and in accordance with that list. A proxy need not be a Securityholder.

- 11 Once the Issuing Agent or its agent has issued a block voting instruction for a meeting in respect of the votes attributable to any Carbon ETC Securities:
  - 11.1 it shall not release the Carbon 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 A block voting instruction may be amended until 24 hours before the time fixed for the meeting.
- 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 Agent or its 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.

### **Chairman**

- 15 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**

- 16 The following may attend and speak at a meeting:
  - 16.1 Securityholders and agents;
  - 16.2 the chairman;
  - 16.3 the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers; and
  - 16.4 the Programme Administrator relating to the relevant Series of Carbon ETC Securities and its legal and financial advisers.

No one else may attend or speak save for where permitted by the chairman.

### **Quorum and Adjournment**

- 17 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.

- 17.1** 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 Carbon 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).
- 17.2** 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 Carbon ETC Securities of the relevant Series outstanding.
- 17.3** 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 Carbon 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).
- 18** 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 18 or paragraph 17.
- 19** At least 14 calendar days' prior notice (exclusive of the day on which notice is given) 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**

- 20** 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 not less than 2 per cent. of the aggregate number of Carbon ETC Securities of the relevant Series outstanding.
- 21** 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.
- 22** 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.
- 23** If a poll is demanded, it shall be taken in such manner and (subject as provided below) 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.
- 24** A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 25** On a show of hands, every person who is present in person and who produces 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 Carbon ETC Security of such Series of Carbon ETC Securities 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**

- 26** 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.
- 27** A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of Carbon ETC Securities outstanding 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.
- 28** If Carbon ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the Carbon 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**

- 29** 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.
- 30** If Carbon ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the Carbon ETC Securities require, a copy of the minutes shall be notarised by a notary.

## **Trustee's Power to Prescribe Regulations**

- 31** Subject to all other provisions in the relevant Trust Deed and any laws and regulations applicable to the relevant Series of Carbon 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.
- 32** The foregoing provisions of this Annex shall have effect subject to the following provisions:
- 32.1** 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.
- 32.2** 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.
- 32.3** 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 25, each Securityholder shall have one vote in respect of each Carbon ETC Security held that is outstanding.

- 32.4** 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.
- 32.5** To all such meetings as aforesaid, all the preceding provisions of this Annex shall *mutatis mutandis* apply as though references therein to Carbon ETC Securities and to Securityholders were references to the Carbon ETC Securities and Securityholders of the Series concerned.